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City University

Department of Arts Policy and
Management

Submitted in fulfilment of the
requirements for the degree of
Doctor of Philosophy

The Emerging Art Markets of Greater
China – 1989-1999

by

Iain Alexander Robertson

2000

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A note on currency

There are five modern currencies involved in this thesis:

<u>The currencies</u>	
The United States dollar	- \$US
The Hong Kong dollar	- \$HK
The Renminbi or Yuan	- RMB
The New Taiwan dollar	- \$NT
The British pound or Sterling	- £

All currencies are measured against the \$US.

There have been considerable price movements in the 1990s in terms of the value of the Chinese and these into account.

<u>Currency fluctuations in the 1990s</u>
The NT\$ has ranged from around NT\$ 25 = 1US\$ in the early 1990s to NT\$ 32 = 1 US\$ at the end of the 1990s.
The HK\$, which is pegged to the \$US, has performed fairly consistently, trading within a range of HK\$ 7.5 = 1\$ - HK\$ 8 = 1\$.
The RMB, which is not an international currency, has remained at a constant level of about 8.3 RMB = US\$ 1 for the decade.
The £ is only used in the case of London auction and private treaty sales

currencies against the \$US, fluctuations have been taken

I have touched on past European (particularly Dutch 17th century) currencies and a note on them will be useful:

Gold and, to a lesser extent, silver, was the bench mark for value in this period; minted into Florentine, Spanish and, later, Dutch Florins.

<u>Currency equivalents in the Netherlands in the 17th century:</u>	
One Guilder	= 20 Stuivers
One Florin	= 1 Guilder
One Flemish Pound	= 6 Guilders
One schelling	= 6 Stuivers
One Groot	= 1 ½ Stuivers
One Rijksdaeler	= 2 ½ Stuivers
One Duit	= 1/8 th Stuiver

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It would not have been possible for me to write this thesis without the help of a great many people. My greatest debt is to Professor Eric Moody, Head of the Department of Arts Policy and Management, City University, for his advice, support and confidence in my ability to successfully conclude my investigations on the contemporary art markets of Greater China, and commit my findings to paper. I am also very grateful to Professor Patrick Boylan, Dr Juliet Steyn, Mrs Alison Meyric Hughes also of the Department of Arts Policy and Management, for their comments on my text at different stages of its evolution. I am very appreciative of the suggestions made of my introduction by Professor Michael Sullivan of St Catherine's College Oxford, and Dr Stacey Pierson, the Curator of the Percival David Foundation, School of Oriental and African Studies, University of London for her advice at an initial stage. I am also thankful for the patient advice offered to me at the earliest stage by Mark Rawson, and Dr Li Yan, friends and Mandarin Chinese speakers, and to David Marks for his comments on the text in general.

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Declaration

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Note:

I hope that purists will forgive me my mixing of *pinyin* romanization with older conventions. I found it impossible to be entirely consistent and at the same time escape pedantry. In Taiwan, according to sources on the English language newspaper, the Taipei Times, and sources on the Chinese newspaper, The China Times, there is no formal system of transliteration so that words appear that have no methodical basis.

London September 2000.

Abstract

PH.D IN ARTS POLICY AND MANAGEMENT

Department of Arts Policy & Management

City University

The Emerging Art Markets of Greater China 1989-1999

Date of submission 2000

This study is about the economic measurement of contemporary artworks, as set by the international market. It is about the internal forces that influence that value: the subtle interaction between the not-for-profit and profit-making sectors, and critical writing. It is also about the constraints placed on that value by external forces: macro-economic and political factors and historical issues.

The basis for this enquiry is that globalisation is a 'reality' and that it is a Western construct. It is also understood that risk is an essential element of globalisation. It follows from this that global economic and political forces have an impact on culture and that a territory's economic and political performance is closely correlated with its cultural performance. As a consequence, a territory's contemporary culture can be described economically as underdeveloped, developing or developed.

It is accepted that most underdeveloped and developed territories aspire to become developed, and set about doing so by emulating the behaviour and performance of developed territories. So, developing territories experience the impact of global politics and economics and, by implication, culture. A developing society measures its contemporary artwork, therefore, economically, and correlates its value against the Western contemporary artwork. China is a developing nation and, therefore, measures the value of its contemporary artwork economically, using Western contemporary art as its yardstick.

The mechanism for measuring value economically is the international market for artworks. The international art market, therefore, measures the value of a contemporary artwork. The value of a contemporary Chinese artwork is measured by the international art market and by local and regional equivalent markets, which emulate the performance of the international market.

My study is complicated by the fact that it is a ‘safari’ study (Hantrais, 1996). The region under discussion, Greater China, consists of two territories other than China; the Special Administrative Region of Hong Kong and Taiwan, which are both developed economies.

The purpose of this study is to alert the commercial and not-for-profit artworld sectors in Greater China to the crucial role played by the international art market, and its equivalents, in raising the value of contemporary Chinese artworks. The other intention of this study is to raise awareness among the West’s commercial and not-for-profit sector for the Greater China art market, which remains relatively under exploited.

Chapter 1 Introduction

It is the intention of this thesis to study contemporary Chinese artworks from the standpoint of the global art market. It is not my intention to look at the development through history of indigenous Chinese art markets, culminating in the state of that market in the last decade of the twentieth century. I have not looked at the global art market for contemporary Chinese art from the Chinese point of view, but from a global perspective. This study does not specifically intend to advance the understanding of contemporary Chinese culture in the West, its intention is to assist the international art market and the not-for-profit and profit-making organisations in China, Taiwan and Hong Kong develop a viable system which can compete in the international market place. To my knowledge there has not been an equivalent study into these particular art markets in this region during this period.

An economic interpretation of contemporary art has been made by one economist in particular, William D. Grampp, who applied Neo-Classical economic reasoning¹ to the visual arts in his book, 'Pricing the Priceless', in 1989. Grampp is not alone in searching for alternative ways to examine and evaluate art. Svetlana Alpers (1988) and Simon Schama (1987) have focussed on the commercial and social framework within which Rembrandt and Dutch Seventeenth century art operated. James Heilbrun and Charles M.Gray (1993) have built on research, which dates back to the 1960s, by William Baumol and William G.Bowen into the economic viability of the arts.² Heilbrun and Gray devote only one chapter to the visual arts. Grampp, on the other hand, looks exclusively at the visual arts and at the role public subsidy plays in the visual arts. Another pair of economists, Frey and Pommerehne (1989), have extended the work of Gerald Reitlinger (1961) on auction house data, taking into account

¹ "A set of ideas that explains how people conduct themselves in order to get as much as they can from what they have. Neo Classical economics is about sensible and self interested behaviour.Its brute, irreducible elementsare self-evident. One is that if people do not have as much of something as they want and are offered more for nothing, they will take it." (Grampp, 1989,p.3). Efficiency is the only ethical premise in neo-classicism (Grampp). C.E Ferguson in his book: "The Neo Classical Theory of Production and Distribution" states that Neo Classical theory "Is based on the assumption that there are no fixed, non-augmentable factors of production. This contrasts sharply with the Classical assumption of a fixed supply of land. Second, in Neo Classcial theory the rate of growth of population or of the labor force is assumed to be determined exogenously. This too contrasts sharply with Classical theory, in which population is very much an economic variable." (Ferguson: 1969,p.3) For Classical Economic Theory see Adam Smith (1776,re-print1973).

² Baumol.. J, William, Bowen, William.G: *Performing Arts: The Economic Dilemma*

inflation and other costs to arrive at the conclusion that from 1600-1961 the return on paintings has been 1.5% and for the period from 1950-1987, 1.6%. Christopher Wood's (1997) research into the boom period from 1987 to 1998, and the record of auction house price movements recorded by Arts Index during the same period, suggest that the 1990s were an exceptionally volatile period in which the market for art grew in terms of its overall turnover and unit value³. The financial gains and losses made through dealing in artworks are important for two reasons: they demonstrate, firstly, that the speculative impulse plays a significant part in the world of art, and secondly that, as Grampp has explained:

"The people who create and benefit from it – are people who try to get as much as they can from what they have. In a word or two, the activity of art is a maximising activity" (Grampp, 1989, p.8).

None of these studies has looked exclusively at contemporary visual artworks, and certainly none has examined the relationship between the international art market and the emerging art markets of China, Taiwan and Hong Kong. Craig Clunas (1997) has looked at art markets in China from the earliest dynasties to the 1990s, but he has not investigated the many and various art markets operating within the region, or at the political and macro-economic factors which condition those markets and their art. Leslie P. Singer (1994, 1978, 1988, 1990) has written on the contemporary avant-garde art market in the West, and specifically America, but he has not looked at China.

Grampp's assertion that works of art are economic goods, which the market can measure, and Reitlinger's assessment of an artist's work in terms of its value for money, have greatly influenced the decision to look at contemporary art in China from an economic perspective in this thesis. The great speed of economic change in China in the last decade, and the opening up of its society since Deng Xiaoping's reforms at the end of the 1970s, have also encouraged me to pursue this study from an economic angle.

This account does not claim to be the only way in which to examine Chinese contemporary art in the 1990s. There have been many books in recent years by, among others, Barmé (1999) and Clark (1994), which look at Chinese artworks in this

³ See Art Sales Index for a survey of auction house price movements in the international art market

period. There have also been many exhibition catalogues, which record exhibitions of contemporary art in the West and in China, Taiwan and Hong Kong. All these works look at aesthetic developments within the field of Chinese contemporary art. I believe that my approach has been flexible enough to avoid been accused of going to my subject like Thomas Gradgrind:

“ With a rule and a pair of scales, and the multiplication table always in his pocket, Sir, ready to weigh and measure any parcel of human nature, and tell you exactly what it comes to” (Charles Dickens, *Hard Times*, 1854, edition 1989, World’s Classics Paperback, p.3).

I have argued that in the 1990s China’s art has reached a fork in the road to its future development. It has now to decide whether its art can survive as a unique alternative to the mainstream, by rejecting the international art market’s aesthetic requirements, or whether, through engagement, it is capable of succeeding within the international art market. By the same token, the West must decide how necessary it is to integrate Chinese art within the international art market, and whether China’s non-participation would have a significantly negative impact on that market.

It is China’s relationship with the West, and Western capitalist systems, within the cultural context, which interest me. Put another way: how China’s art is coping with the impact of globalisation. The view I have taken has grown out of the ‘modernisation’ theory:

“Modernisation theory relates to the theory of industrial society in a rather direct way, because its proponents presume that the sort of analysis offered by Dahrendorf and others is basically correct. That is to say, it is assumed that industrialisation is essentially a liberalising force and a progressive one; and hence that the Western societies provide a model for ‘underdeveloped’ societies to follow. ...Second, these societies therefore have to tread similar paths to those already followed by industrial countries, reproducing the achievements of ‘industrial society’” (Giddens, 1986, p.137).

Giddens (1986) explains how world organisations like the World Bank identify the traits “integral to an affluent industrial order” (Giddens, 1986, p.137) as indicators of development. He regards the ‘modernisation’ theory as resting on false premises – calling it an “ideological defence of the dominance of Western capitalism” (Giddens,

throughout the 1990s

1986, p.138) and points to capitalist developments in other parts of the world. Nevertheless, he distinguishes it from these other forms of capitalism by its global influence in comparison to their limited dominion over world. As Immanuel Wallerstein has explained:

“capitalism as an economic mode is based on the fact that the economic factors operate within an area larger than that which any political society can totally control.” (Wallerstein, 1974, p.348 as quoted by Giddens, 1986, p.139).

Giddens extends the meaning of underdevelopment to something more than societies untouched by capitalism, but to the exclusion from the driving impetus to the expansion of capitalism in the West and other economically developed countries like Japan (Giddens, 1986, p.139). Max Weber attempted to identify those structural impediments which had impeded the development of this form of ‘rational capitalism’ (Weber, 1930, pp14-16) in the Orient (Weber, *The Religion of India*, Free Press, New York, 1958, pp.3-4 as quoted by Parkin, 1986). The conclusion to his comparative study was that the spirit of capitalism originated only in those places where ascetic Protestantism was a vital force (Parkin, 1986, p.68).

Globalisation is present in many forms of which the world financial markets and cultural homogenisation are two. It looks, as Giddens explains:

“.. uncomfortably like Westernisation- or, perhaps, Americanisation, since the US is now the sole superpower, with a dominant economic, cultural and military position in the global order.” (Giddens, 1999,p.15).

Ellen Hertz (1998), in her study of the Shanghai stock market, has argued that the Chinese have “borrowed” the stock market system from the West, suggesting also that the stock-market’s players in Shanghai speak the language of Western capitalism. As she has explained:

“When the Shanghainese cultural system encounters the capitalist world, they do not meet on an equal playing field. Rather, capitalism of Euro-American origins is in a position of material and ideological dominance which puts pressures on the Chinese system.” (Hertz, 1998,p.8)

Calculated risk is a feature of forward-looking globalisation, (Giddens, 1999,p.22) and risk is a feature of the spread of global culture through art markets. It has not been a feature of previous cultures, “including the great early civilisations of the world, such as Rome, or traditional China” which “have lived primarily in the past” (Giddens, 1999 p.22).

These thought patterns underlie the investigation into art markets. Even though there were indigenous, capitalist art markets in China in the past, China is still precluded from even an historical discussion on global capitalist art markets, and from China’s wider historical debate surrounding those societies that were the driving impetus for the expansion of capitalism. The de-industrialisation of the West and the rapid industrialisation of developing regions of the world like East Asia, combined with “the formation of sites of industrial centres outside the capitalist ‘centre’” (Giddens, 1986, p.151) and indigenous entrepreneurial expansion has, however, posed a new challenge to those capitalist centres (Giddens, 1986). It is within the context of this new challenge that I have examined the emerging art markets of ‘Greater China’.

It should be made clear at the outset that I am not dealing solely with art markets, artists and artworks from the mainland of China, and this complicates the picture. Taiwanese and Hong Kong artworks are created under different conditions to the artworks created in China, and their relationship to the international market has also been, in recent decades, very different. I have borrowed the term Greater China from political analysts in an effort to bring contemporary Chinese art under one umbrella.

The Chinese diaspora, which is a way of collectively referring to the Chinese who live outside the mainland, is clearly important in any consideration of the path China’s art might take in the future, since these communities have had a closer relationship with the West than China in recent decades. Wider developments, such as economic liberalisation and, as Amartya Sen (1999) has explained, democracy, indicate how a country or region will fare when its indigenous culture confronts global culture. Sen has suggested that democracy offer the indigenous population a choice, which allows them to vote for or against cultural homogenisation (1999)(Int.149). The degree to which Greater China accepts cultural globalisation, therefore, and the degree to which that acceptance is conditional, is an important element in the thesis.

In order to understand the development of an international art market in China I have referred to the expansionist and risk-taking characteristics which defined early Western art markets and looked at the involvement of China in that enterprise. I have looked at the prevailing macro-economic and political conditions in Greater China, which enable an international art market to function. I have also taken a look at commercial gallery marketing and the role of the critic, through catalogue essays, in the promotion of artworks in the international market place.

The great body of my research has been interview and observation based, and a full explanation of my methods can be read in chapter two. There were significant areas where I felt it necessary to draw on written material; the historical aspects to international art markets, the role of criticism and the macro-economic and political environment. Again, these methods of investigation are discussed in the next chapter. This study is a broad-based investigation drawing on a number of elements from different disciplines, in order to arrive at an understanding of the international art market for contemporary Chinese artworks.

The task of linking empirical research to an authoritative body of knowledge is ongoing. There is very little published material specifically on the market for art in Greater China, so, I turned to texts which dealt with contemporary Chinese artworks: the macro-economic and political environment in the region, the history of cultural relations between China and the West, and to exhibition catalogue essays. Michael Sullivan's authoritative study on *Art and Artists of Twentieth Century China* of 1996 was my main source of Chinese art reference. Johnson Chang's catalogue essays on the contemporary arts in Taiwan, Hong Kong and China were most useful in terms of the shaping of an aspect of contemporary Chinese culture (1996). My dialogue with Johnson Chang on Chinese culture, which has been ongoing since 1997, has been extremely influential in sharpening the definition of a Chinese *Zeitgeist*. Victoria Lu's catalogue essays were especially important when it came to understanding the definitions applied to artworks in Taiwan (1993). The Chinese critic, Li Xianting, was the most incisive critic of contemporary Chinese oil painting that I encountered. His catalogue introductions to the work of Liu Wei, Mao Yan and Zhou Chunya are outstanding examples of the critical approach to new work in China (1997). I used the

Internet sparingly, although a new site, Chinese-art.com, provided by far the most interesting material and articles of any of the sites I visited.

My historical narrative was greatly assisted by a number of writers. Maura Rinaldi's book on *Kraak Porcelain, A Moment in the History of the Trade*, 1989, and Jörg and Butz's work on the China Trade (1982), were indispensable sources of research and information. Simon Schama's seminal work: *The Embarrassment of Riches, An interpretation of Dutch Culture in the Golden Age*, 1987, Svetlana Alpers' work: *Rembrandt's Enterprise, the Studio and the Market*, 1988 and Lisa Jardine's book: *Wordly Goods, A new History of the Renaissance*, 1996, gave me guidance on how best to frame my study of the Chinese art market. Two seminal texts inspired me to undertake research into this subject: Hans Floerke's *Studien Zur Niederlandischen Kunst-und Kulturgeschichte* of 1905 and Gerald Reitlinger's : *The Economics of Taste*, 1961. These two works demonstrated that monetary value could be used to measure aesthetic value, and showed that a vitally important element to the existence of artworks was the desire of the artworld's players, including artists, to exchange the product of the artist's labour and inspiration for money. I do not believe that that fundamental motivation has changed.

In order to come to a better understanding of the political and economic climate in the region, I turned to a number of academic sources, but found the Strategic Surveys of the Institute of International Strategic Studies (IISS) (1999,1997,1998) the most concise and illuminating. The predictions made by the World Bank's *China 2020 Development Challenges in the new Century* (1997), were also particularly useful. With a combination of these and other texts on the economics and politics of the region, combined with the very excellent, almost daily, reports and country surveys in the Financial Times, I was able to arrive at an informed picture of the region's political and economic order.

The legal parameters which had a bearing on operating a business, foreign and local, in Greater China and which affected the traffic in artworks, was another area of research I embarked upon. In this case, the country reports detailing the trading and business laws in Hong Kong, Taiwan and China, published by Baker & McKenzie, were extremely helpful (1998,1999a,b, 1997,1995).

The thesis also contains a substantial body of statistical information, some of which is integrated into the main body of the text, and other information stored in the Appendix. The former body of data refers to artists represented by specific galleries, to the gallery's pricing policy, and, in two cases, to the price movements of their stable of artists in the 1990s⁴. The Appendix includes a cross-section and representative sample of auction and private treaty sale prices. This data has been used, in the main, to substantiate my interviews.

The role of risk in this study is significant because it permeates the art market, involving the art market's players (dealers, artists and collectors) and the artworks themselves. It is a crucial thread running throughout the thesis. The relationship of risk to hedonic characteristics is difficult to measure, since it requires one to assess the physical quality of an artwork and the written and verbal response to it, and interpret both characteristics in terms of the speculative impulse.⁵ I have not attempted to interpret the physical artwork in relation to degrees of risk-attachment, but I have looked at the role of criticism in commercial gallery catalogues in terms of a reduction in risk.

A word about terminology is important. The technical terms that I have appropriated from the stock market and applied to the art market are discussed in chapter two in great detail, but there are other terms that I would also like to clarify at the outset. Taiwan is referred to as the island, or Taiwan, throughout this study, not as the Republic of China on Taiwan, or as a province of China, although it is acknowledged that it is a *de facto* independent state. When I talk about value I am referring at all times to economic value, which covers both pecuniary and non-pecuniary benefit. Non pecuniary benefit is measured in terms of opportunity cost – the time that might have been spent doing something else equally pleasurable or profitable. I have used the words; engagement and constraint, normally associated with the West's foreign policy towards China, to describe the international art market's approach

⁴ I am extremely grateful to Johnson Chang, owner of Hanart, and to Michael Goedhuis, owner of Michael Goedhuis Gallery, for their disclosure of these price movements.

⁵ "The demand for art is a subset of the demand for hedonic characteristics, as opposed to utilitarian... Where imperfect knowledge exists, proxies have to be purchased which provide the

towards contemporary Chinese art and culture, in order to help define the ‘new’ art’s position in the global market-place.

Chapter two presents my methodological approach to the subject. Since so much of the research undertaken in the thesis is based on information elicited from art market informants, I felt it important to articulate my strategy for obtaining this information. I also thought it very important to talk at some length about certain concepts and definitions, which needed to be understood from the outset in order for the body of the text to make sense.

Chapter three is a context setting and concept enlarging chapter, which describes the ‘reality’ within which the contemporary Chinese art market operates and builds on the methodological definitions of terms. It looks at the international art market within the broader context of financial markets. It highlights the relationship between the not-for-profit and commercial sectors of the art market and looks in some detail at the international art market’s mechanism for creating value. It demonstrates that the international art market is not a “random walk” (Baumol, 1965), although it does still require the computation of probabilities.

Chapter four is by far the longest chapter. It utilises my findings from five years of interviewing and observation, transcribed from over one hundred audio-tapes to measure the current performance of the Chinese contemporary art market. The chapter is divided into four broad sections dealing with the art market for contemporary Chinese art outside Greater China and the art markets for the same commodity in China (Shanghai and Beijing), Hong Kong and Taiwan (Taipei). It examines the effectiveness of the international, regional, local, source markets of these three territories and identifies three types of market: alternative, avant-garde and junk. The chapter also examines the function of the art market’s players. A number of factors become apparent in this study. Firstly, that the different contemporary art markets operate on different principles. Secondly, that each of the three territories runs very different art markets. Thirdly, at least two of the regional art market capitals have achieved remarkably high scores across a series of measurable art market criteria.

necessary information on the probability that a given level of hedonic satisfaction will be realised from

More generally it becomes clear from my survey that the collective perception, or the ability of market innovators to convince enough art market players (prepared to risk their time and capital) that their choice of the current is 'new' art, is a dominant market trait. Such behaviour occurs particularly in the avant-garde market.

Perception relies, I have argued, on the speculative impulse and on Galbraith's (1993) identification of an association between money and intelligence and, I would add, insight. There is a tendency for capitalist societies to require new products and markets, and the translation of these market values into aesthetic criteria becomes an issue with particular force in the Modernist avant-garde art world, in which novelty becomes an aesthetic value. So, when I refer to the market for art it is as a perception constructed out of the exploitation of the speculative impulse by the market's most influential operators. The big players are those with the greatest financial muscle or those with the greatest influence over that speculative impulse.

In **Chapters five to seven**, I look at external forces, which, I believe, have an impact on art markets. I look at these forces in respect of the art markets for contemporary Chinese artwork.

Chapter five discusses the catalogue contributions of critics working for the not-for-profit and profit-making sectors of the art market to the advancement of this commodity on art markets. It looks in particular at the shared language and sentiment of the avant-garde art market and not-for-profit sector catalogues essays, and the difference in sentiment and ambition between these two and the alternative art market.

Chapter six takes a look at the evolution of two pre-requisites to the establishment of the global Western art market: expansionism and risk-taking. It looks particularly at the 15th and 16th century art markets of Renaissance Italy and the 17th century Dutch art market. It shows how significant these two factors have been in the establishment of, not only an international art market, but also an international cultural standard by which other non-participant cultures are measured.

the purchase of a commodity or service.”(Singer,1988, p.28)

Chapter seven assesses the macro-economic and political factors, which ultimately determine whether the conditions for art markets to thrive exist. This study was carried out with reference to broad areas enquiry, discussed in some depth in the next chapter, but they grew out of the specific questions I employed in my art market investigation.

Finally, **chapter eight**, the conclusion, draws my investigative findings together and identifies further areas of research.

There are many ways of looking at a region's contemporary culture; the economic is only one way. I do believe, however, that the economic perspective accurately reflects the main motivation for the creation, exchange and collection of artworks in Greater China in the 1990s. It is not so much that I have forced contemporary Chinese artworks to be examined by an unsympathetic discipline, it is much more that they have lent themselves to an economic interpretation.

Chapter 2 Methodology

The methodological approach in this thesis is structured around my hypothesis.

The hypothesis of this thesis is a deductive multivariate proposition in which equal causal status is assigned to independent variables. Each variable is measured by multiple (5) indicators.

My hypothesis is that the value of contemporary art today can be measured economically (so that differences in degree can be expressed in terms of a unit of measurement), and that those values are set by the international art market. It is that these values are enhanced, in the international art market for the avant-garde, by a subtle interaction between the not-for-profit and profit making sector of the international art world. It is that the value of the artwork is enhanced by criticism and enhanced or constrained by macro-political, economic and historical factors.

I have laid out my methodological structure in Fig 1:

Fig 1 Methodological approach explained in the form of a table of indicators, which are used to examine the dependent and independent variables.

Qualitative Observation	Qualitative Interviews	Quantitative Data	Qualitative Observation	Additional Variables Qualitative and Quantitative
<u>Visits to</u> Museums & Galleries Art fairs Cities	<u>Responses from</u> Artists Dealers Collectors	<u>Auction & dealer prices</u> Literature Observation	<u>Visits to</u> Artists studios & Exhibitions	a)Criticism b)Macro-politics Macro-economics c)Historical issues
Assessing The standard Of Development	how significant is the art market	how significant is the art market	how significant is the art market	
1,2,3,5,6	1,2,3,4,5,6,7	1,2,3,4,7	2,5,7	

The questions adopted to a greater and lesser extent across four of the five indicators in order to establish intrinsic high reliability and validity

1. Have International prices been achieved for the artworks?
2. What is the indigenous art market’s level of development?
3. Has international competition been encouraged?
4. What are the laws facilitating the development of an art market?
5. Does contemporary art receive the support of the public sector?
6. What is the level of development of the cultural infrastructure and urban environment?
7. What is the level of contemporary cultural education?

Broad areas of enquiry, expressed in the form of questions were employed in order to establish the intrinsic high reliability and validity of b) additional variable. The variables a) and c) were tested with reference to literature.

1. Is the government politically strong?
2. Does the territory enjoy economic prosperity?
3. Is the economy soundly managed?
4. Is there a speculative environment?
5. Is there a high standard of living?

A Mixed Methodology

This study conforms to the Comparative Research Method of examining particular issues or phenomena in two or more countries and comparing their manifestations in different socio-cultural settings (Hantrais, 1996). I examine art markets in three territories: China, S.A.R. Hong Kong and Taiwan. The aim is to seek explanations for similarities and differences, and to gain a deeper understanding of the current state of art market development in each of the three territories.

Although there have been difficulties to overcome in the course of my research, such as problems of language, distance and expense, I maintain that my cross-national comparisons (Hantrais, 1996) offer a new insight into contemporary art markets.

In order to avoid the weaknesses of a single methodology, particularly a methodology based exclusively on a qualitative analysis, I have adopted a mix-methodology approach. The aim has been to blend “ qualitative and quantitative methods of research”...in order to... “ Produce a final product which can highlight the significant contributions of both” (Nau, 1995, p.1). The use of statistics to establish a causal link with other observations is recommended by Weber (Parkin, 1986, p.21). I have adopted this pragmatic approach in order to add weight to the truthfulness of the findings, to offset the limitations of non-probability samplings, and thereby give greater credence to the findings. As Creswell explains:

“The pragmatists argued that a false dichotomy existed between qualitative and quantitative approaches and that researchers should make the efficient use of both paradigms in understanding social phenomena (Creswell, 1994, p.176).

There are additional control variables that modify the relationship between the variables under discussion. They are: a) The critical analysis written in the catalogue
b) The macro-economic and political environment
d) Historical issues

My qualitative data consist most significantly of face-to-face interviews with artists, dealers and collectors from the emic perspective, and also visits to museums and galleries, and artists' studios, art fairs and in a variety of cities, in order to observe conditions in those five places chosen to be viewed from the etic perspective. I undertook these visits and interviews in order to uncover the 'reality' of the contemporary art markets in 'Greater China' as seen by the people involved in those markets. By 'reality' I mean all the external and internal factors that influence and determine the environment in which contemporary Chinese art is traded. The main research question, and the key to unlocking the international art market's influence on the value of Chinese contemporary art, is: "To what degree are Chinese contemporary art markets drawing closer to Western models?" The questions I therefore ask of my respondents are intended to elicit views and information on the progress and state of development of these markets in the last decade, a period of dramatic economic change in China. I am examining this question from the point of view of the profit-making sector - since it represents the economic imperative to the greatest degree - although I have cause to seek the views of those from the not-for-profit sector. I have validated this research under three indicators:

1. The observation of conditions within galleries, art fairs museums and cities.
2. Interviews of artists, dealers and collectors
3. The observation of artists' studios, and artists at work in their studios and exhibitions of artists work in galleries and studios.

Interview survey

Surveys cannot avoid being accused of being subjective, from the point of view of the surveyed, and to a lesser extent, the position of the surveyor. Max Weber's starting point for social enquiry is the method known as *Verstehen*, an attempt to understand social action through empathic liaison (Parkin 1986, p.19). As Parkin explains:

The strategy is for the investigator to try to identify with the actor and his motives and to view the course of conduct through the actor's eyes rather than his own. (Parkin, 1986, p.19)

Bradburn and Sudman (1988, p.4-5), suggest that surveys are paradoxical and that researchers are not interested in the respondents as individuals, but only in so far as their answers when linked to others allow the researchers to make statements about the population as a whole or significant subgroups. A survey can be made as scientific and objective as possible, however, by carefully constructed questions, clearly defined observations and, according to Belson (1985,p.3-5), a large enough sample.

Validity

Interviewing played a significant role in my survey of contemporary Chinese art markets, and the opinions, as opposed to facts, I elicited might be thought difficult to validate. In response to this concern, I have argued that the questions I asked were clear and that I had a good idea of the information I required. In addition, my surveys were conducted with elite art world individuals, and in all my samples I exceeded or matched the minimum recommended sample numbers (30-40) recommended by Denzin, (1978) for depth interviews. The reason I valued so highly the views of my élite respondents was due to the primary importance I attached to the “subjective interpretation of action” (Weber, 1968, p.13 as quoted in Parkin, p.17). Although my sample was significant in the context of dealers in contemporary art, each respondent, and particularly the élite respondents, whose opinions I valued more than the other respondents, were not treated as a collective from the outset. As Weber explains:

“..Collectivities must be treated as *solely* the resultants and modes of organization of the particular acts of individual persons...” (Weber, 1968, p13 as quoted in Parkin p.18-p.19).

For the purposes of this study, I have maintained that the survey is a useful measuring device, and it is hoped that it will produce data, which will help to substantiate the ‘reality’ of the Chinese contemporary art market.

It can be argued, of course, that the respondents to my interview surveys answered the questions with another aim in mind, rather than replying with honesty and integrity to the enquiry. I have parried that criticism by saying that it is at this point that the face-to-face interview came into its own, enabling me to assess the validity of the answers provided by the respondent, by observing his physiognomy and listening to the tone

of his verbal response. Weber refers to this as *aktuelles Verstehen* (direct observational understanding) (Parkin, 1986, p.20). I have extended this observational mode by surveying physical spaces of galleries and artists' studios and attending art fairs and auctions in an effort to add further validity to the interview survey. I did not visit every gallery that is listed under the individual territory sections, but as can be gleaned from my gallery survey in the Appendix, I visited 73 spaces out of the total of 102 galleries listed. The information on the 29 galleries which remained un-visited is rudimentary (type of market, type of artwork) and was gleaned from catalogues and faxed information.

To return to the gallery survey and interview survey combination. If, for example, in reply to my question: "Has international competition been encouraged?" a dealer in Taipei replied unequivocally in the affirmative, I would be surprised, because my surveys of galleries in Taiwan revealed that there were no foreign dealers operating in that territory. The only evidence of foreign incursion was a token selection of overseas galleries at the annual Taipei art fair. Since so many of my interviews were carried out in the place of work of the respondent's gallery or office, it enabled me to validate many of the answers to questions; i.e. - "Have international prices been achieved for artworks?" - was validated by looking at 'posted prices' or price lists in a respondent's gallery. Another question directed at a not-for-profit museum director - "Does contemporary art receive the (tacit) support of the public sector?" - was validated by a walk around the gallery, observing the nature of the work on display, the names of the artists whose work is on display, and whether similar work by the same artists appeared in the profit making gallery sector.

Confidentiality and Anonymity

Since the majority of the respondents to my survey were chosen from an élite sample, the nature and content of my questioning and observation tested the professional integrity of the members of this élite, and the question of protecting my sources did therefore arise on a number of occasions. It was not a substantial issue during my interviews with the not-for-profit sector art dealers, or amongst artists, although for the few collectors I spoke to it was more significant. Dealers were more protective of

their quantitative data (prices of artworks) then they were guarded of their opinions. There was, however, a particular topic to do with political intervention in the contemporary arts in China, which - prompted by the question: “ Does contemporary art receive the support of the public sector?”- provoked a cautious or vague response. This was most acutely felt in the not-for-profit art world in China, in which all responses to this question were ‘off the record’, as were all comments made by the diplomatic corps in China and Taiwan. Whenever a dealer confided a client’s name to me it was understood that this was strictly ‘off the record’. I did not sense discomfort from amongst museum and gallery directors in any of the three territories under investigation when they were asked to address the interaction between the not-for-profit and profit making sectors of the art world – elicited once again by the question relating to public sector support. The question was treated at face value. This suggested to me that notions of interlocking relationships between the commercial and public sector art world and, arguably, a conflict in interest in the not-for-profit sector between serving the wider population and supporting the art world (Taylor, 1999, Bowness, 1989,) were not sensitive issues in Greater China. The only other point at which the issue of anonymity and confidentiality arose was in the case of chairmen or curators of private foundations in Taiwan. In these instances the two questions: “Have international prices been achieved for art works?” and: “What is the indigenous art market’s level of development?” - in which prices for artworks and the role of the Foundation in the contemporary Chinese art market needed to be addressed - the questions were either avoided or answered ‘off the record’.

Interview process

All my 151+ interviews (coded, Int.) were taped and the results transcribed *verbatim*, not less than two days after the interview. The written transcriptions of my interviews were recorded in long hand in three A4 note pads. At least some of the interviews can be cross-referenced against audio-tapes. In all my interviews I relayed the purpose of my study to the interviewees in the form of the seven broad questions listed under Figure 1. The interviews were unstructured and my questions allowed room for multiple interpretations (Jones, 1997).

Telephone interviews

I rejected the idea of telephone interviews because long interviews would have been impractical. Complex questions would have been harder to deal with on the telephone and the rapport between the interviewee and myself would have been harder to establish. One can only hold the attention of an élite¹ member for a certain amount of time on the telephone and the cost of long distance calls would have proved prohibitively expensive. I found that a return flight to Greater China, including living expenses for a period of two to six weeks, allowed me to interview and visit so many respondents that it was cheaper than interviewing the same number of respondents by telephone. I also enjoyed the added benefit of observing the environment and attending an art fair or auction. I did, however, follow up face to face interviews with telephone talks to clarify certain points with some interviewees. On occasion I relied on faxed information on galleries, but this information was used to ascertain very rudimentary information and only in a small number of cases.

Postal interviews

I rejected the idea of postal and E-mail interviews because of an anticipated low response rate and a lack of flexibility in questioning (Thomas, 1998). It made little sense to write asking for information or requesting opinions on a range of issues from time sensitive commercial operators whose primary motivation was pecuniary profit. Similarly, with museum directors, collectors, artists and members of the diplomatic corps, I judged that an interview in a 'real' environment would elicit a more complete answer to my question than a less direct form of communication. As Bradburn and Sudman point out (1988, p.103) a postal questionnaire is only effective if the respondents have had previous experience of this type of data collection or have an above average motivation to participate in such a survey.

¹ An élite member in the artworld is one who has substantial power and influence over the reputation and price of artworks.

Visit surveys

The 92 gallery, museum and art fair visits (coded, Exhib.) and 37 visits to artists studios (coded, Visit.) I have divided into observation of the conditions within these spaces, including city environments, and observation, rather than critical analysis, of the nature of the work presented.

I looked at four aspects of the commercial art gallery in my gallery visits: 1.The ability of the gallery to set trends, which was conditioned by the nature of the artwork in the gallery. Work aimed at the not-for-profit sector I considered more likely to set trends than work destined for the alternative art markets. 2.The ability of the gallery to attract high prices. 3.The levels and sophistication of the promotion of the gallery and its artists. 4.The quality of the exhibition space. These were all etic considerations, except possibly for number three, which was resolved by part observation, part questioning.

My artists studio visits were intended to enable me to understand the creation and production of the works by artists, whose work I had seen in exhibitions. It enabled me to discover something of the process of creation by seeing works in progress, and to observe studio and working conditions. It also allowed me to arrive at an informed, if not precise, view of a parallel between the price of an artwork and income of the artist, by observing his living conditions. I accepted that this would be an inaccurate correlation because it did not take into consideration other factors such as income from other sources. My reason for observing studio and living conditions was motivated purely by a desire to further validate my quantitative price data.

Sample

I adopted the purposive sampling methodology, which works under the assumption that a representative sample can be regarded as a typical sample (Oliver, 1997), with respect to my interviews. I identified key respondents with specialist knowledge and experience, who were also willing to provide detailed information and participate in

lengthy interviews. I identified my key respondents through personal recommendation. These key respondents then recommended others I should interview, leading to snowball sampling for the remainder of my interviews. The re-interviewing of many of the key respondents at different times enhanced the reliability of my interviews².

I avoided being accused of low sample numbers and claims that my findings might be unrepresentative (Marsh, 1978), by visiting and interviewing all the listed dealers in Shanghai and Beijing up to August 1999, (Source: *Shanghai Talk, That's Shanghai Beijing Scene* and *Shanghai Art Fair of 1997*). The Shanghai Art Fair gallery listing was extremely misleading since it listed single artist studios, co-operatives, municipal organisations and trading companies alongside *bone fide* galleries. I visited all 147 stands at the art fair, which excluded single artist stands. I have looked at a significant sample of élite Hong Kong dealers as of August 1999. I also visited a significant proportion of the listed galleries in Taiwan (specifically Taipei – the galleries examined in Taichung and Kaohsiung were recommended by key respondents- Source: *R.O.C Gallery Guide*). I visited all the London dealers in contemporary Chinese art and drew my information from *Galleries Magazine*, and through key respondent recommendation. My information on galleries was drawn from listing magazines, appearance at art fairs and key respondent recommendations.

I was aware that one of the problems of this purposive sampling methodology was generaliseability (King, 1997). I could have looked at every single Taiwan commercial art gallery, but of the 61 dealers listed in the ROC gallery guide of 1999 one dealt only in Modern and ancient artworks, one only in antiques, one only in Western 20th century and Modern Chinese artwork and one only in antique Chinese artwork. One gallery represented was the Goethe Institut (an overseas not-for profit space) and one had closed down. This reduced the number to 55 galleries. I also checked the listings of galleries in three R.O.C art fairs of 1993, 95, 97, 98 and uncovered a further 10 galleries dealing in contemporary art which were not listed in the R.O.C Guide. I could have searched out other Hong Kong galleries, but came to the conclusion, through interviews, that my sample was representative of the market

² Gender is not a consideration in this study

for the type of contemporary artworks I was researching. I might have looked at the market for contemporary Chinese art in New York and elsewhere in the United States, in France, Switzerland and Germany, but this was not the purpose of my study, and would have produced incorrect results, since those European markets and the markets in the United States (particularly New York) might have had different characteristics to London's, and those in Greater China. The only point at which I came into contact with overseas-based dealers not located in London was in China and Taiwan, usually at the art fairs. This study is not about the markets in contemporary Chinese art (world wide), it is about the markets for contemporary Chinese art in four Greater Chinese cities and London. The purpose of this study is to examine and compare each city with each other. I thought it interesting to introduce a comparative element and to compare the Greater Chinese contemporary market with the market in London for contemporary Chinese art because the 'reality' was so different in London and London is a major international art market capital.

Definition and justification of terms

A dealer is defined for the purposes of this study as a specialist intermediary who plays a critical role in the determination of price, a definition I have drawn from the stock market (Baumol, 1965). An art gallery is defined as a profit-making venture that sells artworks and is controlled by the dealer. Artworks are defined by the art gallery, which trades in them. I have narrowed down this definition for the purposes of this study, and described a gallery as a profit-making venture selling the work of living artists. I have adopted part of Raymonde Moulin's (1987) categorisation for contemporary artwork. Moulin has called artworks which are dealt in the polypole contemporary art market in France, in which a number of dealers operate out of 'gift' and tourist shops selling the work of unrepresented artists; 'Junk' art. I have adopted her definition and extended it to call this market the **junk art market**. The term 'junk' "... automatically connotes some negative quality to the item being evaluated. Hence, we hear the terms 'junk-yard', 'junk-food', or just plain 'junk' to identify inferior goods" (Altman and Nammacher 1987, pp.3-4). When applied to financial securities, however, the connotation is less negative. Junk is still an emotive term in the stock-market, as it is in the art market, but in the stock market these junk bonds or

‘fallen angels’ have credit quality (Altman & Nammacher, pp4-5). I have not suggested that there is a direct correlation between the two markets when it comes to junk stock options, but the term junk art market is not intended to be an emotive term. It is, rather, descriptive of negligible unit value, but significant aggregate value.

The other type of contemporary artwork that Moulin has identified (1987) falls under the definition of historically aspirant artwork, traded outside the junk art market. This market is described by Brighton and Pearson (1985) by the artwork which has or aspires to have a ‘relationship’ with the not-for-profit cultural sector and is categorised as the artwork dealt with by A and B category dealers. I have described this market as: the **avant-garde art market**. Brighton and Pearson have talked of the significance of the Arts Council of Great Britain (now England), those of Scotland and Wales and the Hayward Gallery as determinants of the economic situation of the visual artist (Brighton and Pearson, 1985, pp.117-157). N.M. Wijnberg has described this determinant as ‘expert selection’ – a process by which artists achieve appropriability³ (Wijnberg, 1991, p. 140). Brandon Taylor has also defined the role of the Hayward Gallery, from its inception in 1968, as a showcase for an international, avant-garde artwork (Taylor, 1999, pp.203-236). He has suggested that the Hayward gallery in the early 1970s had embraced commercialism and increasingly defined itself in market terms (Taylor, 1999, pp235-236). It is a role, Taylor has gone on to suggest, which will be filled by the Tate Modern in the 21st century (Taylor. 1999, pp.237-241). I have placed Tate Modern at the apex of public sector validation in the United Kingdom. For the purposes of this study, the Tate (and specifically Tate Modern) is still a highly regarded validating institution for (international) avant-garde artwork, or in Taylor’s words; “an established ‘progressive’ taste” (Taylor, p.239). A major venue like the Hayward Gallery (and the Arts Council collection), which sought “to popularise rather than to originate the entirely new” (Taylor, p.239) and has been to some extent superseded by the Tate Modern - and the former Arts Council client galleries, forms a third tier. An exception to the not-for-profit rule is the Royal Academy in London, which, through the exhibitions policy of its Exhibitions Committee and its Secretary, Norman Rosenthal, has worked at popularising the avant-garde canon. Institutional examples of the, primarily, not-for-profit validating

sector, known as 'independent galleries', are found in most developed societies. Sir Nicholas Serota has examined the presentation of avant-garde artworks in a number of the most significant museums of modern art, such as the Stedelijk in Amsterdam, the Kunstmuseum in Basel and the Guggenheim in New York (Serota, 1992). The key descriptive word in this case is; modern⁴, although another, which might apply as well, is; contemporary⁵. The Guggenheim and Museum of Modern Art in New York might be considered the ultimate arbiters of significance on the avant-garde art work in the context of this study, for one important reason; New York is the art market centre for contemporary art. In the last decade Greater China has developed its own *Kunsthallen*: the Taipei Fine Art Museum and Kaohsiung Fine Art Museum in Taiwan, the Hong Kong Museum of Art and the very recently opened (too recent for this study) Shanghai Museum of Contemporary Art. In each of these institutions the presentation of the artwork broadly conforms to international notions of curatorship which, according to Serota, is a consideration in determining the aesthetic status of the validating institutions (Serota, 1992).

A third market has been identified as one in which artworks have been declared unacceptable by the non-for profit sector (another reason for my visits to public museums and art galleries). Singer has talked of the dangers of the creation of a State sponsored "Salon des Refuses" (Singer 1988, p.38) which would have arisen if the non-for-profit sector embraced the art traded outside the international market- by which he meant the international art market for the avant-garde. The not-for-profit sector has not embraced this art and a third distinct market has emerged to support it. The third strand of dealer I have included in my survey, therefore, deals in the work that has not been embraced by the not-for-profit sector. Brighton and Pearson have

³ "The ability of a producer to profit from his competitive position, and especially, from his innovations" (Wijnberg, 1997, p.140)

⁴ For the purposes of this study, Alfred Barr's definition of art for the collection of the Museum of Modern Art in New York is taken. In 1956 he wrote that modern was "a relatively elastic term" 'for painting, sculpture, moving pictures, architecture, and other visual arts'. It is, Barr suggested; "Original and progressive in character, produced, especially within the last three decades, but including also pioneer ancestors of the 19th century as far back as the 1840s, Delacroix, Daumier, Barbizon and Realists like Courbet." (Marquis, A.G, 1989, p.222). The starting point for MOMA was "painters born in the 1860s, Bonnard, Signac, Matisse and an earlier Impressionist generation: Renoir, Degas, Cezanne, even late 18th century pioneers of the Romantic and Classical Movements such as Goya and David. He even suggested that all art should be included which had "to contend with indifference, ignorance and often bitter ridicule from the academic artist, the critic, and, for a time, the general public." (Marquis, A.G, 1989, p.223)

⁵ Contemporary is a self explanatory term referring to living artists and their work.

referred to them as C category gallery owners (1985). This market has been differentiated from the junk art market primarily by pricing levels, which are higher than those in the junk market, and also by the fact that artists are contracted to one dealer or a small number of dealers working under monopolistic or oligopolistic contracts. I have called this market the **alternative art market**, since the work offers an alternative to that promoted by the non-for-profit sectors of the art world in the United Kingdom, and in the cities in Greater China under discussion. The work I have referred to does not, however, bear any relation to the art and artists, such as Max Beckman, Ferdinand Hodler and Sam Francis, discussed in terms of their deviation from the norm in Peter Selz's book; *Beyond the Mainstream*. Selz's book does, I believe, uncover artists who are better described, as Becker (1987) would have us describe them, as mavericks. They have contributed to the avant-garde market, albeit in an untraditional manner (Selz, 1997). They have patently not set about establishing an alternative art market for their work. This division in institutional taste between types of art can be traced back to the Italian *Trecento* and the establishment of the academy of art⁶ (Kempers, 1994, Jardine, 1996, Wijnberg, 1997, p.140 et al.). It is more commonly associated with the rise of the Impressionist market in France at the end of the 19th century and the decline in importance of the Art Academies of Europe – in particular, France (Rosen & Zerner, 1984, p.209).

I thought it significant that the 'new' not-for-profit museums of contemporary art in the West (and even more recently in 'Greater China'-my observation) had replaced these Academies as arbiters of official taste (Taylor, 1999, Wijnberg, 1997) and adopted the on-spec market as a replacement regulatory mechanism for guilds and academies (Singer, 1988,p.34). It is a process, which Willi Bongard (1990) observed through his *Kunst Kompass*; by means of a construction that demonstrated that the level of association between not-for-profit and profit-making sectors directly affected the value of artists work in the avant-garde art market.

Another way in which commercial avant-garde galleries can be distinguished from their alternative counterparts, without knowing that their artists have been exhibited in not-for-profit spaces, is by observing the manner in which the works are displayed for

⁶ The academy of art will, hereafter, be referred to as a generic term connoting the 'academic

exhibition. The observational questions I asked myself on my gallery visits were: “Does the exhibition have a theme?” and: “Are the works displayed in a manner which corresponds to the manner in which an exhibition might be hung in a not-for-profit museum or gallery?” In short: “Are the artworks curated?” By looking at commercial art gallery exhibitions in this way I have inverted Serota’s observation that one-person shows and ‘hangs’ in not-for-profit institutions are the result of commercial gallery initiatives (Serota, 1992, p.20)⁷. In this case it is the special quality associated with the display of works in a not-for-profit gallery, which sets the standard amongst commercial galleries.

I have not referred to dealers in traditional Chinese art or to the market in traditional Chinese art in any detail unless work, which has the appearance to an outsider of Chinese Traditional Chinese, is represented by dealers who also deal in one of the three markets discussed (this is discussed in greater detail later in this chapter). I was able further to narrow down my assessment of the market the gallery operated within by the type of response I elicited from gallery owners. In general the dealers in the alternative and junk art markets were much less responsive to questioning than those in the avant- garde art market.

Another issue of classification that concerns this study is whether the gallery operates on an **international level**⁸ or whether it functions solely in the **regional**⁹ or **local**¹⁰ markets. This was very difficult to demonstrate without knowing the client lists of the commercial galleries concerned - and these are closely guarded secrets. When I asked the question: “Have international prices been achieved?” I did, however, allow the dealer to talk in an unstructured way about what he understood by the term international price. This process not only helped me sharpen my own definition, but

institution’ and will be spelt with a capital A. (Wijnberg, 1997, p.141)

⁷ Serota’s views about the influence on the not-for-profit sector of commercial gallery values are re-enforced, and to a great extent explained, by Brandon Taylor who has written: “Early inroads into the French art market by American investors – inroads which led indirectly to the creation of the Museum of Modern Art in New York in 1929 – were undertaken on behalf of no one except the investors themselves. Like all successful enterprises, these early tycoons sensed the existence of a latent market and placed their cash accordingly (Taylor, 1987,p.83)

⁸ International, in this context, means world-wide or global, and is a geographical reference. Later, when I come to talk of international price, it refers to value.

⁹ Regional, in this context, means the Greater China region of China, Taiwan and Hong Kong, and is a geographical reference.

also often resulted in an unprompted reference to overseas buyers. My evidence was enhanced still further by the question: "Has international competition been encouraged?" which often prompted the dealer to talk still further about the breakdown of his client list. In the case of the junk art market the issue of internationalism arose in a different form. All the dealers confirmed that they experienced considerable tourist buying, which by definition would make their market international. This would have created, I believe, a false impression of the reality of the situation, because clearly these were not international galleries in the true sense of the word. It was for this reason that I asked whether international prices had been achieved? International prices throughout this study referred to the highest possible price for an artwork. A final question that sought to clarify the market position of the gallery was: "What is the indigenous art market's level of development?" This question was most fully answered in Taiwan, where dealers talked about the competition they experienced from their counterparts on the island as well as offering opinions on their competitors.

The final term used to describe a market is **source**. This word has been applied exclusively to the China market in the context of this study, which I have observed is operated as the critical mass supply market for the international, regional and local art markets.

One other aspect of classification concerns the artwork. It is emphasised that for the purposes of this study, the artwork is in large measure a product of the art gallery. I have drawn, therefore, my descriptions of types of artwork from the market in which the artwork is the main commodity, and appealed to its value as an investment in order to define its place within the broader contemporary art market. Raymonde Moulin undertook to attribute investment characteristics to French contemporary art in the 1980s (1987). She described contemporary paintings as; highly speculative securities, and both Reitlinger (1961) and Frey & Pommerehne (1989) worked out how profitable an investment artworks have been over different periods of time. The Art Market Bulletins (1995,1996) have measured the price movements of the artwork index, and both Nicholas Faith (1985) and Reitlinger (1961) have drawn a correlation

¹⁰ Local, in this context, refers to the individual territories of China, Taiwan and Hong Kong, and is a

between the fortunes of the stock market, world events and the art market index. It is not the purpose of this thesis to ‘pick winners’ but to apply broad, investment-related descriptions to the artworks traded in three contemporary art markets.

I have called the work traded in the junk art market: **Junk artwork**, not in order to confuse it with junk bonds – which can produce considerable returns – but in order to emphasise that the small sums of money spent on this commodity will show no returns and only losses. It is at this point that the correlation between junk art and junk bonds breaks down (Altman & Nammacher, 1987).

Whereas there is practically no risk attached to buying junk artworks since there is no expectation of gain (the value increasing), there is considerable risk attached to the other two markets. Risk, pertaining to these two markets and as defined in this study, is temporal risk. It is inseparable from ideas of probability and uncertainty, and actively assessed in relation to future possibilities (Giddens, 1999, p.22). The risk construct that this study has observed entails three critical elements: “loss, the significance of loss, and the uncertainty associated with loss” (Yates & Stone, et al, 1994, p.3). I have accepted that risk should not always be rejected and that it is complicated by other considerations apart from risk (Yates & Stone, 1999, pp2-23). I have used this modern, Western, capitalist notion of risk to describe the calculated decision making process of the buyer of contemporary artworks.

The work traded in the avant-garde art market I have called **risk-neutral artwork**, because the buyer undertakes a calculated risk that this work will be eventually accepted by the not-for-profit sector either in the artist’s life-time or at his death. This so-called calculated risk –expected utility theory and decision analysis - allows for risk indifference and risk seeking within narrow confines (Neuman & Polister as quoted in Yates & Stone pp.21-22). In short, if an art buyer rejects payment in cash, and accepts instead an equivalent payment in artworks on the expectation that the artworks will increase in value, he would be losing the opportunity to gain if he accepted the cash. These target risk levels suggest also that some art buyers trade off risk against other benefits; in the case of artwork, the thrill and prestige of ownership

and the possibility of future financial gain are two important trade-offs. Within this market there are clearly levels of speculation and risk. Limiting that risk requires the buyer to become familiar with galleries, their relationship with the not-for-profit sector, and the degree to which artworks in the not-for-profit sector are the same 'type' as those in the profit-making sector. I decided on the term risk-neutral in favour of risk-seeking because I discovered that the complicating considerations in and beyond the art market, beside risk, diminish the possibility of loss. Heilbrun and Gray have explained that risk-neutrality refers to buyers... "who prefer high returns and are not particularly worried by risk" (Heilbrun & Gray, 1993, p.165). Work traded in the third market; the alternative, I have called **risk-averse artworks**. Risk-averse artwork should not be confused with the stock market equivalent of a risk-averse stock; gilt edged bonds. Gilt-edged bonds were traditionally looked upon as absolutely safe havens for capital value as well as interest (Cummings, 1981, p.4, Stapley, p.40). The safety of the capital value is of primary importance to the artwork, since it does not produce dividends. Moulin (1987) refers to the Old Master market as 'gilt edged' in her study, and I believe similar characteristics can be applied to commodities traded in the alternative art market for contemporary art, but not of the same magnitude. The Old Master market traditionally shows un-dramatic but steady returns (Arts Sales Index, 1995/1996). In the same way artworks in the alternative contemporary art market, which are higher priced than avant-garde commodities, are extremely unlikely to show the great returns or total losses of the avant-garde work, the value of which depends on whether it is accepted by the not-for-profit sector. There might seem to be a problem in the low level of risk I have attributed to the artwork in this market and its high initial price. As Yates & Stone have explained (Yates & Stone 1994,p.4), the risk implications of increasing the chance liability is greater the larger the potential liability. However, in the case of the artworks under discussion, the chance of liability is, I have contended, less than in the avant-garde market, largely because there is a broader range of less selective target buyers at the top end of the market (see chapter three). Some sense of the price destiny of the commodities in these two markets can be deduced from the current value of the 'avant-garde' French Impressionist paintings and the value of the 'alternative art market' British 19th century oil paintings. In general, those French Impressionists artists whose work has been accepted by the not-for-profit sector, have shown dramatic price increases, whereas their British

counterparts, who endured a period of time in the wilderness before regaining their values in recent years, have shown steady but un-dramatic increases (Wood 1997).

The risk-averse and risk-neutral distinctions I have made between two types of artwork in the contemporary art market are not black and white. There were three reasons why it was impossible to draw a straight line between these two types of artwork in the context of Chinese contemporary painting. Firstly, a few commercial galleries operate in both markets. Secondly, the traditional type artwork – work that uses traditional Chinese materials (ink, water and Chinese brush) and has the appearance of traditional Chinese artwork, is dealt in by both avant-garde and alternative art market sectors. Thirdly, very little contemporary Chinese art has been exhibited or purchased by the not-for-profit sector in the West. Contemporary Chinese art is, therefore, still in its infancy in terms of validation, and the art market, in its under-developed form, is performing the dual function of validating and selling, creating a coda in the manner of the late 19th century Parisian dealers. The significance of the trend-setting galleries is, therefore, magnified and the importance of the avant-garde art market enhanced. I have, nevertheless, for the purposes of clarity, identified all artworks according to whether they have risk-averse, risk-neutral or junk qualities.

The terms risk-averse and speculative as applied to the artworks in these two markets should be treated as indications of risk rather than terms which can be matched to stock-market equivalents. The fact that risk-averse implies a guaranteed Government bond (Stapley, 1986 p.40) might suggest that it would be better applied to artworks traded in the avant-garde market, which might in the future receive the support of the not-for-profit public sector. In reality, only very little contemporary avant-garde work is ever accepted by the not-for-profit sector and the guarantees only have levels of assurance in the Modern and Old Master markets, which Moulin (1987) correctly refers to as blue-chip and gilt-edged respectively.

There is another quasi-economic, pecuniary consideration behind a buyer's decision to buy a contemporary artwork. It concerns pride (*hubris*) - the thought that there is a chance that the artwork will be significant or important (Faith, 1985), that it will join an historical coda (Taylor pp.237-241) is a significant part of the buyer's calculation.

There is also a suspicion that a buyer who chooses to be risk-averse in the art market channels his risk-taking energies into other forms of speculation, such as real-estate and stocks and bonds. It is difficult, therefore, to draw conclusions on the type of buyer who operates in each of the markets.

A final couple of elements to risk-taking in the art market are the high price thresholds at which players are prepared to and capable of accepting loss and the high levels of greed. Artworks are, at the risk-averse and risk-neutral levels, extremely price elastic, and a buyer's capacity for gain (his greed) is mirrored by his preparedness to accept substantial loss. As Alexis Ivanovich observes about the nature of roulette:

"As though petty greed and massive greed were not the same thing! It is a question of proportion. What is a trifling sum to the Rothschild is riches to me." (Dostoyevsky, 1866, translation Jessie Coulson, 1966, re-print, 1976, p.40).

Equally, what is simply a loss to the Rothschild is a catastrophe to most people.

The contemporary art market is a 'futures' market (Chapman, 1986, pp.60-61) and therefore no truly accurate amount of risk can be apportioned, and it is a fair assumption to make that there is greater risk in this market than in markets which deal in artworks of the past.

With reference to the above criteria: 14 commercial galleries were selected from Hong Kong. 65 galleries were selected in Taiwan¹¹ and 23 galleries selected from the Chinese cities of Shanghai and Beijing.

The market within which London galleries operated (and for that matter most foreign owned galleries in Greater China) was easy to establish since all of them aspired to exhibitions in the not-for-profit sector and operated on an international scale, since London is an international art market centre. That market was the avant-garde market.

¹¹ Taiwan is reputed to have over 250 commercial galleries. Many closed during my time in Taiwan (1993- 1996), some of them, major contemporary dealers like the Apollo and Taiwan galleries. Others like Concord auction house dissolved and re-opened as Concorde Fine Art but continued to run under the same management.

With reference to the above criteria: five galleries were selected for the purposes of this investigation

Language

The survey interviews were all conducted in English, except in very exceptional circumstances when a translator was used. The élite dealers, museum directors politicians and collectors generally understood English at a high level. In the case of those respondents who could not speak English, great care was taken selecting an overseas national translator working for a foreign Embassy or Mission in each of the three territories.

By conducting my interviews, as far as possible in one language, and in the international language of English, I reduced the risk of differences in interpretation occurring through translation. In another respect the respondents were keen to talk to an English interviewer in English, judging by the 100% response rate to my requests for interview.

Question forms; open and closed

Qualitative research questions come in two forms (Werner & Schoepfle, 1987, as quoted in Creswell, 1994, p.70), a grand tour or guiding hypothesis followed by sub-questions (Marshall & Rossman, 1989, as quoted in Creswell, 1994, p.70). Creswell explains that:

“The grand tour question is a statement of the question being examined in the study in its most general form. This question, consistent with the emerging methodology of qualitative designs, is posed as a general issue so as not to limit the inquiry” (Creswell, 1994, p.70)

One of the seven questions I asked my respondents fell into the category of Grand Tour. Creswell (1994) recommends between one and two: That question was: “What is the indigenous art market’s level of development?” This question was the most important because I wanted to discover how developed the ‘Greater Chinese’ art

market had become over the last decade. The other six questions were supplementary and, by degrees, more specific. Creswell (1994, p.70) calls them sub-questions. The number of questions I asked also fell within the limits set by Miles and Huberman (1984 as quoted in Creswell, 1994) of not more than twelve.

My questions were open-ended and non-directional, evolving and changing during the study in the manner recommended by Creswell (1994). As Paul Oliver explains, unstructured interviews allow:

“...All parties to participate in the generation of an agenda and permits the interviewee to be proactive in that process.” (Oliver, 1997, p.119)

Structured questions may produce more specific responses, but in my case I wanted to create the framework for as wide a range of responses as possible, without losing the main thrust of the hypothesis. I did find myself drawing respondents back to the question, which is one reason why I inserted two quantitative type questions, i.e.: “Have international prices been achieved for the artworks?” and “What are the laws facilitating the development of an art market?”

Question wording

The immediate objective of my questions was to position the data into pre-determined categories either defined by previous studies (Moulin, 1997 and Brighton and Pearson, 1985) or part of the theory I was empirically testing. Paul Oliver (1999) calls this process of post-coding data into categories; the grounded theory, with the emphasis placed upon the generation of a theory rather than on constantly trying to validate the theory. Oliver (1999) goes on to explain that the theory in this instance is not seen as a final construct, able to explain the world both now and in the future, but as an organic entity which grows, evolves and changes as it adapts to new data and circumstances.

An interrogation of the questions

Have International prices been achieved for the artworks?

It is important to make a distinction between a buyer's capacity to compete on the international art market at the highest levels and the capacity of a region to attract those buyers to its market. If a buyer for Shanghai, for example, chooses to buy art in an international art market centre like Hong Kong, he will pay an international price. This does not make Shanghai an international art market centre. The presence of the two international auction houses make international prices visible, although local auction houses like the Dorotheum in Austria, Finarte in Italy and Guardian in China can reach international prices for indigenous artworks. Dealers who operate in the international art market will also post prices that concur with international price levels. The level of interaction between the international art market and the local and regional art markets also help to define price.

What is the indigenous art market's level of development?

Before a market can aspire to being an international art market centre in any commodity, it must achieve local and regional art market status. There must be local or regional demand for indigenous commodities before a market can expect to attract international interest. This requires there to be an active and sizeable local commercial gallery infrastructure and trading in that country's art or the art of the region.

Is international competition encouraged?

The extent to which local and regional art markets allow or encourage foreign competition either through art fairs, international auctions or the establishment of foreign owned galleries in their markets, determines the degree to which international competition is welcomed. An international presence raises the profile and value of the artwork, by projecting it onto an international market.

What are the laws facilitating the development of an art market?

Laws governing the establishment of a foreign art business in a country, and laws which relate to the import and export of artworks into a country, art taxes, censorship and currency regulations, either facilitate or hamper the development of an art economy.

Does contemporary art receive the support of the public sector?

The support a government lends to its arts community by formally sanctioning it at international art festivals, such as the Venice and São Paulo biennales¹², demonstrating the extent to which it tolerates artistic freedom, and its support for the arts. The added value of national recognition and officially sanctioned promotion increases the value of the artwork.

What is the level of development of the cultural infrastructure and the urban environment?

The number of visual arts museums in a country gives some indication of the level of country's cultural development. The quality of the museum, in terms of its contents, influence and ability to attract blockbuster, overseas exhibitions, is another. The preservation and stewardship of that culture by a nation provides a cultural framework upon which a contemporary culture can flourish.

Business and holiday tourists are potentially significant art buyers. The attractions of the urban and rural environment are reasons why tourists travel to a country. The level of development of the urban landscape in terms of infrastructure is a key element in a tourist's decision to travel to a certain country.

¹² I have used biennale as a generic term describing all biennial art festivals. Strictly speaking, only the Italian based biennial art fairs are biennales.

What is the level of cultural education?

Cultural education in this study is concerned with the degree to which a society's contemporary culture is interpreted and presented to that society. Museums have an important educational function, but so do commercial galleries and the art press, both of which reach out to a fresh audience and potential collectors.

Bias

There is clearly a danger of bias in any set of questions, and one reason I decided on an unstructured format was to give room for the respondent to manoeuvre and express his/her real opinion. I would concede, however, that my status as a writer, my former employment, my élite recommendations and personal contacts might result in bias.

Procedure

In order to secure my interviews I did the following:

1. E-mailed, telephoned, faxed or posted a letter to my proposed respondents. I used this method in the main with snowballed interviews (Oliver, 1997).
2. After I received an affirmative reply, I telephoned a week before my departure to confirm interview times and locations.
3. If, as was usually the case, I travelled to more than one city on a single trip, I telephoned ahead from the city in which I was staying in 'Greater China' to confirm meetings and interviews in the other cities on my itinerary. I always gave myself one-week leeway on these trips to allow for sudden changes in schedule.

Quantitative data

My quantitative data, which takes the form of artwork prices, seeks to confirm the representativeness of my purposive sampling of galleries, auctions and interviews. One very particular example of the validation of qualitative research by quantitative was in the comments made by two dealers about the disparity in price between auction house and dealer prices. My quantitative data confirmed that there was not only a disparity between auction house and dealer prices, but also a disparity in prices between dealers operating out of different territories.

The quantitative material comprises: auction house figures from auctions of 'Fine Modern Chinese Oil Paintings, Drawings and Sculpture' in Taiwan by Sotheby's and Christie's, 'Chinese Oil Paintings and Sculpture' in Beijing by Guardian auction House, 'Fine Modern and Contemporary Chinese Paintings, Drawings and Sculpture' in Hong Kong by Sotheby's and Christie's and an avant-garde auction of Asian art in London by Christie's. Another set of auction data, which is examined, is the auction of avant-garde Western contemporary art in London by Christie's. Further quantitative data are drawn from contemporary Chinese art dealers in Hong Kong, Taiwan, China and London.

I have adopted the descriptive statistical approach taking a large number of measurements, presenting these in a readily understandable form (Oliver, 1997), and validated my data by examining two sets of prices and checking the reliability of these data by carrying out a number of checks. I selected my data according to the following criteria: Private dealer prices (private treaty) (which are notoriously difficult to attain) were gained from observation in the case of 'posted prices' beside artworks, or price lists accompanying exhibitions, and in three cases (Michael Goedhuis, Brian Wallace and Johnson Chang) following elite interviews. I drew auction house prices from catalogues and sales data released after the auction, or in the case of my presence and/or participation at the auction, from observation. I then checked my observations and records with post sale data. All the auction house data are drawn from the elite auction houses of Sotheby's, Christie's, Guardian, and in one instance, Sungari. The auction houses were chosen either because they were international or, in the case of Guardian and Sungari, aspired to be international and were locally significant.

The data drawn from the auctions in Sotheby's and Christie's Taipei were drawn from at least one auction a year, between 1992-1998 (Sotheby's Spring 92,94,96 Autumn 93,96,97,98, Christie's (1995-1999 Spring 97,98 [I&II], 99 Autumn 95,97,98[I&II]) and refer to all those artists who were alive at the time of the auction. Three auctions, two by Sotheby's (Autumn 93,97) and Christie's Hong Kong (Autumn 97) were selected from Hong Kong, and the auctions in Beijing were drawn from a representative sample of those auctions conducted by the Guardian Auction House since its establishment in 1994 until 1999 (Spring 99, Autumn 97,96,95,94)). These results refer to all those artists who were alive at the time of the auction. Three other auctions are considered: Firstly, Sungari's Autumn auction of 1997, which was the only one conducted by the House before it ceased to trade. This auction was chosen because, proportionally, it contains the greatest number of avant-garde artworks of all the Chinese auctions. Secondly, Christie's avant-garde Asian auction in London in Autumn 1998, the only such auction to be held in London, was chosen for this reason, and because it demonstrated how highly contemporary Chinese artwork was valued in an international art market capital. Once again only the works of living artists were chosen. Thirdly, the sale of Western avant-garde art was chosen at random from amongst other contemporary art sales in London, in order to illustrate the differences in value between contemporary Chinese artwork and its Western equivalent. Once again only the work of living artists were chosen. I attended the Sotheby's auction in Taipei in Autumn 1993,96 and the Spring auction in 1994,96. I attended the Christie's auction in Taipei in Autumn 1995. I attended the Christie's and Sotheby's auctions in Hong Kong in 1997; the 1996 and 1997 Autumn auctions of Guardian in Beijing and the Autumn auction of Sungari in 1997. Finally, I attended the contemporary avant-garde Asian art sale of Christie's in London in Autumn 1998 and the contemporary art sale at Christie's in London in Autumn 1998. Out of the 24 auction catalogues and data I have drawn quantitative information from, I can verify the results of nine of these auctions, having attended them, observed proceedings and recorded prices for each Lot at each auction.

The total number of auctions for this commodity which took place in Taipei through Sotheby's and Christie's over the period 1992-1999 is 32 of which I have recorded 13 (40.6%). The total number of auctions for this commodity conducted by Guardian in Beijing between 1994-1999 is 12 of which I have recorded five (41.6%). Sungari, to

my knowledge, only held one auction, and Christie's only held one auction of Asian contemporary art in London.

In my survey of auction house results from China, Hong Kong and Taiwan, at least one auction each year is recorded from the years 1992-1999 inclusive. In each of those auctions the price of every living artist is recorded unless his work did not sell. I decided to use a non-probability sample (Oliver, 1997) in the case of The Christie's auction of contemporary art in London, acting under the assumption that this auction was typical of others of its type.

Additional variables

The additional variables that impact on my hypothesis are 1. The critical discussion of the work in the catalogue (which includes aesthetic appreciation) 2. The macro-economic environment. 3. The macro-political environment. 4. Historical issues.

I viewed over 5,000 artworks in the course of this study, but it is not appropriate to discuss the aesthetic quality of those artworks here, although an aesthetic assessment does have an impact on value. In short, if a collector has strong feelings for an artwork he is likely to forgo the purchase of something else in preference for the artwork – or pay beyond the 'given' price.

The material from which the artwork is made also has an impact on the price, and this is recorded in the measurements of artworks but not discussed. The critical assessment of the artwork influences its value, and criticism will be discussed in the broadest terms to show how it is employed by the commercial sector in the Chinese contemporary art market to determine towards which market the work is directed. It will also be suggested that artworks, particularly avant-garde artworks, have bestowed on them a great range of qualities, over and above their material and temporal values, which, it can be argued, have an impact on their value. This is an in-exact exercise, but having read a great number of artists catalogues, both monographs and surveys of artists groups, I have suggested that this is a price determinant. Critical essays are important marketing and promotional devices used by galleries. The quality of the

catalogue and the effectiveness of the nature and quality of the critical introduction are, therefore, important considerations in the assessment of galleries, in which they are evaluated in terms of their ability to set trends and promote their artists.

Finally, I have looked at the impact of macro-economic and political factors and Sino-Western history on the value of the Chinese contemporary artwork. I have looked for adequate causation (Weber as discussed by Parkin, 1986) in my assessment of the influence these variables on the art market. In short, I have considered the impact of certain political and economic events on the region as a whole. For example, Taiwan and China's sabre rattling in 1996 and Perry's declaration of American over Chinese naval superiority in the Pacific and China's refusal to devalue its currency during the 'Asian economic flu'. Both these events had regional macro level implications which were felt in the micro level world of the art market.

I have asked broad and fundamental questions of the relationship between these macro factors and also history in the development of an art market. I have drawn these areas of enquiry from economic/historical literature in part, but also from the seven questions I directed at the art market. For example: The question dealing with government support for contemporary culture – which suggested promotion of that culture overseas - led me to ask: "Is the government politically strong?" - in the eyes of the international community. The question dealing with the levels of development of the infrastructure suggested to me the wider question: "Does the territory enjoy economic prosperity?" The questions to do with the development of the indigenous art market and the encouragement of foreign competition demanded that I look at whether the economy was soundly managed. Questions surrounding international prices made me consider the speculative nature of the environment, most clearly observed in the auction rooms. Finally, levels of cultural education reminded me of the broader question of improvements in qualitative standards of living, and forced me to consider whether the territories enjoyed high rates of GDP (Gross Domestic Product) per head.

An interrogation of the macro-areas of enquiry

Is the government politically strong?

Refers to the projection of a nation's strength internationally. The perception of a nation by the rest of the world, of which economic (GDP per capita) and military prowess are the key ingredients, and culture a measure of the success of these two. The international projection of a nation's culture can also be politicised in the form of cultural diplomacy.

Does the territory enjoy economic prosperity?

It is important for a nation to have a strong, developed economy and provide opportunities for a proportion of the population to acquire substantial wealth, but not at the expense of great income disparity. The wealth of the general population (GDP per head) is crucial in the development of demand for artworks and also the positive projection of a society overseas.

Is the economy soundly managed?

The effectiveness of government in maintaining economic growth and expanding and protecting a nation's business interests abroad is crucial in the maintenance of the conditions necessary for a healthy art market.

Is there a speculative environment?

A willingness to take economic risks and to speculate is an extremely important element in any market, and the art market is no different from others in that respect. It is for that reason that I have attributed risk-bearing qualities to the contemporary art commodities in the three markets under discussion.

Is there a high standard of living?

This area of enquiry focuses more closely on the qualitative aspects of wealth. While it has been acknowledged that GDP per head is crucial in the establishment of an art

market because it enables individuals to buy artworks, concern for broader environmental issues, which affect the quality of life, become more evident when a nation matures economically. It is a sign that a wealthy society is also a sophisticated society. Art markets prosper in sophisticated societies.

I have drawn primarily on secondary data to substantiate my claims for the importance of these broad conditions, but there were three specific exceptions to this secondary data rule. The 1996 Taiwan/China missile crisis during which time I was in a position to observe developments first hand and from the inside, the Taiwan mayoral elections in 1994, and the presidential elections in 1995. Subsequent political developments reached and continue to reach me in advance of the world news. I would argue that advance information, received in an unfiltered form, is very different from the receipt of that same information through an intermediary mechanism. I have also observed and participated, first hand, in speculative ventures in Taiwan, and lived for over three years in a Taiwanese environment in Taipei, and so much of my political and economic commentary is enriched by first-hand experience.

Chapter 3 Contemporary art markets of the 1990s

The stock market is a perfect market. Its products are homogenous, there are many sellers and, in the security market, there is free entry and exit (Baumol, 1965, p.4, Stapley, 1986, p.26). None of these conditions apply in the art market. In the art market, uniquely, there are exceptionally high levels of shared information between producers, dealers and buyers (Heilbrun & Gray, 1993 as quoted in Wijnberg, 1997), and the concept of selection (Wijnberg, 1997, Taylor, 1999, Bowness, 1989). These are the things that make the two markets different, but in one crucial respect both the stock market and art market correlate: value in the art market, the “disorderly parade of data” (Baumol, 1965, p.6), is, like the stock market’s, generated from the outside.

The international art market is, I have argued, a cultural thermometer, which accurately reflects the prevailing cultural climate. It is inextricably linked to prevailing political and economic conditions, and its ‘reality’ is a reflection of the world’s political and economic ‘reality’. Brandon Taylor has explained how America grew to be the dominant cultural force from the mid sixties onwards:

“Further, the suddenly expanding internationalism of the visual-arts world was no longer competitive after about 1965. On the contrary, the Cold War stand-off between America and the Eastern bloc had the effect of underlining the hegemony now increasingly exerted in art by the United States, both in established culture but also in the pattern of activity of the radical avant-garde.” (Taylor, 1999, p.235)

The contemporary art market for avant-garde artworks provides the channels for the dissemination of a great number and wide range of artworks. It has been accused of not only controlling, but also manipulating the values of artworks, and creating and nurturing a select body of artists at the expense of the greater whole (Moody, 1994). It is true that it is the sole mechanism for conferring aesthetic and the resulting economic value on an artist and his/her production, but the regulations imposed on

both by the market are motivated by economic necessity. Singer has warned that any stipulation that artworks collected by the public sector be different from the artworks traded on the international art market, in an effort to broaden the selection of contemporary works in public collections:

“Might unwittingly establish a state –supported permanent “Salon des Refuses”(Singer, 1988, p.38)

These positions, although correct in terms of the avant-garde market for contemporary art, have failed to consider the existence of more than one significant contemporary art market acting as an alternative to the avant-garde market. These other two contemporary art markets, the junk and alternative, operate on an international basis, and the key player is still the dealer, a specialist intermediary who determines which artists prosper, and which are discarded. In all three markets, although to a lesser extent in the junk market, economic ‘realities’ dictate that the dealer selects from among the huge critical mass of artists, a balanced portfolio (Stapley, 1986, p.145, Cummings, 1981, p.85) of practitioners. It has been suggested that the avant-garde dealers discreetly employ the services of public and quasi-public museum curators and their institutions, as well as critics and collectors, to validate its aesthetic decisions through exhibitions and purchases, thereby creating a view of culture in their own image. Thus, Joseph Duveen’s gift to the Tate in 1918 of French pictures asserted his own taste, and confirmed the pre-eminence of France in the avant-garde art market (Taylor, 1999, p143-144). Not only Duveen, but collectors like Hugh Lane, whose artworks had been acquired from dealers such as Durand-Ruel re-enforced the preponderance of French avant-garde artworks in British not-for-profit collections. Taylor (1999, p.144) has suggested that these artworks formed a canon of ‘modern’ artworks. Bongard’s reputation/price construction awarded points to artists who had achieved exhibitions in prestigious not-for-public galleries, or had their work accessioned by the same institutions, and explained how important an exhibition in a prestigious profit-making gallery was to the likelihood of public sector acknowledgement. Alan Bowness’ third condition of success for an artist involved the support provided by dealers and collectors to artists. He asserted that:

“Those who promote the new and unfamiliar play a valuable and creative role.....Even more important is the fact that Kahnweiler¹ provided a gallery and exhibited the new paintings of his artists. This seems to me to be an innovation too little recognized. It marks a further and significant change in the way new art comes before the public” (Bowness, 1989, p.39)

Alternative art markets appeal to a different set of buyers, to those operating in the avant-garde market, although there is no reason why a collector should not spread his risk and buy in both. We will see how some dealers in contemporary Chinese artworks hold stocks for both markets. For the purposes of this study I will be referring, primarily, to Academic oil paintings. This work often has high, immediate economic value, but is rarely critically acclaimed by curators and cultural commentators in the public² and quasi-public sectors, a condition of success for speculative art (Bowness, 1989, pp.21-37).

The great body of artwork which is not selected by either of these aforementioned markets is picked up at the market's base and sold in the new art super-markets, warehouses, or in non-specialist shops and stalls, entering a market I have referred to as junk.

There are artists who remain outside all these markets, almost for the duration of their careers, only to be ‘discovered’ in later life, and promoted as strong representatives of one of the aforementioned markets. These artists are mavericks, who violate the artworld's conventions because they do not proceed along the traditional career path, but begin as conventional novices and succeed in circumventing the need for art world institutions (Becker 1982).

Work that fell outside the scope of any of these markets was not considered in this study. In that sense I have concurred with Leslie Singer (1988) who demonstrated that art markets were necessary replacements for regulatory bodies such as artists guilds and academies, and environments in which Grampp (1989) maintained, individuals sought to maximise their activities:

¹ Daniel –Henry Kahnweiler was a legendary Parisian dealer of the early part of the 20th century (he arrived in Paris in 1907) who backed the, amongst others, Fauves, Braque and Picasso

² By public in this case I mean not-for-profit

“As distinct from standard monopolistic exploitation, where sellers constrain supply at the expense of buyers, collectors rely on dealers to restrain the supply of substitutes.... Unlike other restricted markets where barriers to entry benefit sellers at the expense of buyers; in art markets buyers and sellers are equally interested in restraining trade.” (Singer, 1988, p.34)

Singer goes on to explain how prominent artists:

“Will maximise discounted total utility by varying their styles so as to preserve the integrity of the corpus of works.” (Singer, 1988, p.35).

According to these exclusionist mechanisms, artworks that do not come onto any market are not the same type of artworks as those that have been successfully traded.

A very distinct characteristic of contemporary art markets, in comparison with other artwork art markets such as the Old Master and Modern, is their function as Futures markets.

Chapman has explained that:

“Buying futures is speculation, and some people make and lose millions by doing it. It requires knowledge of changing circumstances, as well as intuition as to the way events will turn out... There is, of course, good reason for buying futures other than speculation... This process is called ‘hedging’ ” (Chapman, 1986, pp60-61)

If an artwork dealer or collector, therefore, believes that the conditions for success of an artist are likely to be met, he will buy into the artist’s stock, selling only when the time is right. The decision to buy stock is complicated by the changing regional and international macro-economic and political ‘reality’. Buying into this stock is speculative, to the extent that these conditions and ‘realities’ are not guaranteed and subject to change. For the security conscious this future risk is spread by portfolio buying (buying into more than one artist’s stock), a form of art world ‘hedging’.

The contemporary art markets, therefore, operate along different lines to markets dealing in the artworks of deceased artists. Supply is not finite, and has to be controlled and history has not confirmed its significance or otherwise.

Leslie Singer and Gary Lynch (1994) have interrogated the contemporary market's mechanisms, describing three temporal divisions: the primary stage, where artists sell their artwork to collectors and dealers; the secondary, where dealers sell to collectors and the tertiary where collectors and dealers recycle through the auction houses.

International contemporary art markets also operate geographically, out of many centres, but the principal markets are in New York and London as measured by auction house turnover numbers and numbers of commercial galleries in contemporary artworks. There are, however, substantial markets for artworks in other significant world cities. Amsterdam, Baden, Basel, Berlin, Cologne, Hamburg, Hong Kong, Melbourne, Milan, Paris, San Francisco, Singapore, Stockholm, Stuttgart, Vienna and Zurich are all significant, lesser international art market centres (see auction house turnover, figure). All these cities are situated in developed, wealthy countries (see fig.2). Some of those international art market cities also operate local art markets. Milan, Vienna and Paris, for example, have their own auction houses: Finarte, Dorotheum and Tajan respectively, and Italy in particular operates a vibrant indigenous art market. Italy has certain advantages over other local art markets, in addition to its advanced economy. It is home to the Venice Biennale, has a huge reservoir of ancient art, major collectors of contemporary artwork, and influential critics.

(Fig 2)International auction market in pounds sterling for the 1996/7 season

Source: Art Sales Index and Economist Intelligence Unit, 4,1997

Top 20 World's wealthiest populations in red (G8 in blue)

<i>Auction house turnover in pounds</i>		<i>GDP per Capita Position</i>	<i>GDP per hd Position</i>
1. USA	582,630,958	1	4
2.UK	352,427,775	5	14
3.France	70,200,342	4	10
4.Germany	40,604,767	3	6
5.Netherlands	25,327,891	12	12
6.Italy	24,336,458	6	17
7.Switzerland	22,894,642	14	1
8.Austria	19,917,182	22	7
9.Sweden	18,509,037	19	5
10.Australia	14,224,619	13	19
11.Singapore	8,834,616	15	8
12.Denmark	7,901,135	21	3
13.Belgium	7,371,418	18	9
14Hong Kong	6,524,210	24	15
15.Spain	6,530,903	10	21
16.Canada	5,232,171	9	18
17.Israel	4,825,141	33	20
18.Poland	2,940,478	25	37
19.Taiwan	2,857,470	17	23
20.Eire	2,172,551	36	16
21.Finland	2,082,403	28	11
22.New Zealand	1,671,030	46	22
23.Greece	1,488,200	29	24
24.Norway	1,288,731	24	2

Fig.2 clearly demonstrates that 14 of the top 20 of the world's wealthiest countries, measured by GDP per capita, have the largest art auction markets. Fig.2 also shows that 19 of the top 20 of the world's wealthiest geographic concentrations of populations, measured by GDP per head, have the most significant art auction markets

However, there are inconsistencies. Why are Switzerland, Denmark and Norway, the three countries that enjoy the world's highest GDP per head, not the world's pre-eminent art market capitals? Why does a G8 nation like Canada languish in 16th place in the tertiary art market league? Why does the United Kingdom have the second most significant tertiary art market? For the purposes of this study, what is the significance of Hong Kong's (14) and Taiwan's (19) position in the tertiary art market table? These are general questions because the art auction market covers all the categories of art, and while being a good indicator of the state of the contemporary art market in particular countries, is also a little misleading because it refers to all luxury commodities traded by the major world auction houses. Fig.2 does not take into account the dealer market or the auction market in China because the results are significantly biased. In order to reduce this bias, when I come to look at the contemporary art market, I have broadened my enquiry to include dealer prices and a selection of relevant auctions within China. I have also looked at the external factors described in chapters five to seven, dealing with external variables. This has enabled me to answer the question of a correlation between GDP per capita and per head data and art market data more accurately. Japan is a notable omission from the list of countries represented in the table. It is, after all, the world's second largest economy. One reason why the Art Sales Index fails to list auction house results in Japan is because, like China, the international houses of Christie's and Sotheby's do not hold auctions in that country. Another reason, which also applies to China, is that the Index is unable to collect auction house results from local auction houses.

In fig.3 I have devised a pyramid shaped commercial gallery construct, based on division of commercial galleries into A,B & C as used by Brighton and Pearson (1985, pp.67- 109). Fig. 3 describes the broad parameters within which contemporary artworks are traded:

(Fig 3)A model for art markets. Source: Iain Robertson, based on the Brighton and Pearson investigation into commercial gallery types (1985, pp.67-109)

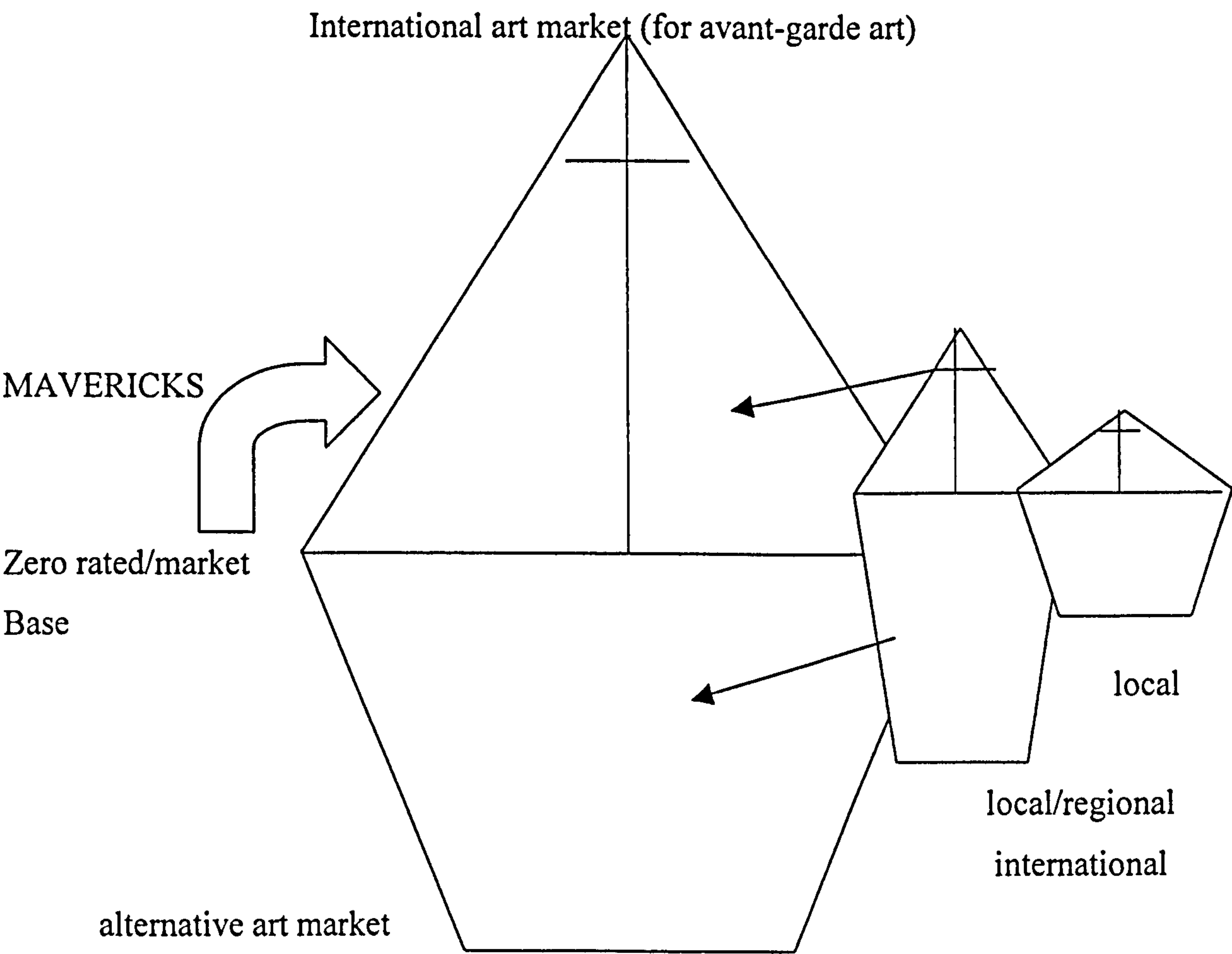


Fig. 3 shows that among the contemporary art markets, the international art market for avant-garde art succeeds in conferring art historical status on its stars by appropriating the services of the cultural public sector, (represented by the apex of the three international art market and aspirant international art market triangles). It only secures better art prices, however, than work traded in the alternative art market on the artist's death. The validation of the public sector is transformed into higher prices on the artist's death, which is why the art historical continuity line dividing the three triangles should also be considered a dollar line. That linear art historical continuity line and apex is absent from the alternative art market, since the value of alternative artworks are not affected by institutional validation, and demand is determined by other factors. Artwork traded above the institutional validation line need not apply

solely to the work of deceased artists because some 'chosen' artists also achieve immortality in their lifetimes. Artworks traded in the alternative art market may reach or even exceed the price levels of artists working in the avant-garde art market, but prices tend to flatten out after the artist's death and normally fall dramatically thereafter only to recover in the space of one or two generations e.g the great Victorian academic oil painters (Reitlinger, 1961). A key factor in the evolution of price is the artist's reputation, and in the flat topped, alternative art market artists do not receive validation from international museums and galleries. The smaller triangles represent geographical regional and local art markets, which trade work independently of the international art market and also feed work into the international art markets both risk-neutral and risk-averse artworks. Mavericks shoot up from the market base and are claimed by the international art market. Those who are not amongst them or involved in any of the other markets, remain at the market base.

The dealers

The stock-market's pricing policy is solved in part by a specialist intermediary:

"A critical role in the determination of price is effectively delegated to an individual whose decisions are usually final and are apparently rarely questioned. There seems little doubt that, within limits, the price of a stock is adjudicated by the specialist, and that so long as this decision is not widely unreasonable, price is whatever he says the circumstances required." (Baumol, 1965, p.12).

There are other characteristics, which can be applied to the stock market specialist as well as to the art dealer. Their basic function is to bring buyers and sellers together. Income is derived from brokerage fees and profits from trading transactions. Fair and orderly markets are maintained, contributing a stabilizing influence to market prices. (Baumol, 1965 pp.12-21, Chapman, 1986, pp129-140). Stock-market specialists, in common with art market dealers, are market makers. The oligopolistic dealers and the major auction houses still, in theory, act as stabilisers, but confidence in their ability to regulate the market has lessened in the 1990s. This decline in confidence has been ushered in by the big bang on the stock-market (Chapman, 1987, pp11-14) and the boom and bust cycle on the art market in the early part of the decade. To a great extent competitive equilibrium in the art market is far greater than it was before the

boom and bust cycle, with the arrival of new players and a break down of monopolistic practices (Singer, 1988).

Norman Rosenthal, Exhibitions' Secretary at the Royal Academy of Arts in London, a charitable institution which does not rely on public subsidy, but which has quasi-not-for-profit sector authority in the art world, responded to my question on the selection of contemporary art in the following way:

"All we are doing is looking at, perhaps, what we think are, at any one moment, the most interesting examples [of artworks]." (Robertson, July/August 1991, p.18).

Talking on behalf of himself and Christos Joachimedes (a curator/dealer), Sir Nicholas Serota (now Director of the Tate Gallery in London) declared:

"There was quite clearly, and it wasn't just us who discovered this, a sense that a particular kind of painting was thought to be an interesting way of making artistic expression" (Robertson, July/August, 1991, p.18)

Rosenthal, who since his seminal contemporary art exhibition at the Royal Academy, 'The New Spirit in Painting' (1981), has placed himself at the cultural cutting edge, spoke of capturing:

"The prevalent characteristics of the moment" (Robertson July/August 1991, p.19)

At the same time, Rosenthal explained how impossible it was to mix up contemporary strains, looking all the time for:

" 'Legitimate affinities' and 'Legitimate differences' ". (Robertson, July/August, 1991, p.19)

Ultimately, however, Rosenthal cites:

" 'One's world, the world of one's acquaintances' and the 'Chance world of art politics' " (Robertson, July/August, 1991, p.19)

which leads to aesthetic choices being made. Significantly, Rosenthal's choices were made for the 'The New Spirit in Painting' (1981) and 'Metropolis' exhibitions [Martin Gropius Bau, Berlin (1991)] but could equally apply to his latest contemporary art show, 'Sensation' (1998), at a time of cultural and economic fragmentation. Rosenthal explains:

"He (Joseph Beuys) was so overwhelming he could stand for everything and now we have four artists picked, not consciously without hierarchy at all – Jon Borofsky, a middle generation artist, Ian Hamilton-Finlay, the Starn Twins and Jan Fabre." (Robertson, July/August, 1991, p.19).

Leslie Singer, in his paper on contemporary art markets three years earlier (Singer, 1988), also talks of fragmentation, but the economic kind. His understanding of cultural fragmentation or pluralism is a breakdown of the major dealer oligopolies and the entry of, what he terms:

"Self insured collectors" (Singer, 1988, p.36)

Collector-tycoons like the Saatchi in England, a substantial part of whose collection was exhibited by the Royal Academy in the 1998 exhibition, 'Sensation', and who purchased large quantities of diverse art in order to reduce the chances of loss. Singer explains:

"Collector tycoons are likely to play the same role in today's uncoordinated markets for contemporary art as was previously carried out by the principal dealers. Namely, collector-tycoons tend to sequester chosen artists and protect their work against infringement by imitators." (Singer, 1988, p.37).

The German collector/dealer Heinz Berggruen adopts a different approach to collecting (Robertson, Sept 1991). Berggruen, who with Thyssen, Bührle and Count Panza di Biuma was one of the most astute collectors of contemporary artworks in the 20th century, explained that he liked to be considered the curator of his own collection. He said he learned from his friend and mentor, the dealer Henri Kahnweiler, to look for a work of art's intrinsic value and not to follow trends or fashions and to collect in depth not buy into a mixed portfolio. Berggruen, in stark contrast to Saatchi declared that:

“I collect Picasso because I have an interest in 20th century art”(Robertson, September 1991,p.21).

The narrow market, which the likes of Berggruen, Kahnweiler and Durand-Ruel operated within, was supported by a few oligopolistic dealers, who controlled the economic destiny of a select group of artists like Picasso and Matisse. Oligopolistic dealerships continued to dominate the market until the middle 1970s, with dealers like Leo Castelli, Sidney Janis, Mary Boone and Denise René guiding the careers and prices of the Abstract Expressionists and Pop Artists.

This arrangement broke down, as increased profits and strong demand attracted a large number of entrants into the contemporary market in the late 1970s and early 1980s. Since then the markets have changed in character, taking the form of:

“Purely competitive markets with unbridled entry, not so likely to yield the correct art-historical results”. (Singer, 1988, p.37)

The new and successful primary dealers like New Yorker, Gene Schwartz and, England’s Charles Saatchi, buy across a wide range within the very narrow confines of the avant-garde market. They promote and market the work, sell it at a profit in the short-term and re-invest those profits in new work. This behaviour creates art historical discontinuity. When the secondary dealer, Marlborough Fine Art, represented the Chinese contemporary artists of the Political Pop Movement in London in 1993, they had diversified beyond their chosen alternative market into the avant-garde market and thereby spread their risk to the greatest extent. When Michael Werner, the primary dealer behind German Neo-Expressionist, Georg Baselitz, offered the artist’s work to the London-based secondary dealer, Theo Waddington, the Paris-based secondary dealer, Gillespie-Lange-Salamon, and New York dealer, Mary Boone, in order to increase the economic value of Baselitz, he was making use of the last bastions of the oligopolistic market-place (Ackerman, 1986).

Howard.S.Becker (1982) has noticed a series of musts that artists should consider, if they desire entry into the avant-garde art market. Artists should, he believes, have some knowledge of art history. They should demonstrate a knowledge of others’ work. They should be responsive to change. They should listen to art world gossip.

They should ensure that they are formally educated and that their peer group respects them.

Dealers, and the most successful consider themselves curator/dealers (Robertson, March 1991), select their artists on the basis of years of experience. Wolfgang Fischer (the former owner of Fischer Fine Art) has spoken of the importance of coming to an intimate understanding of a painter's work. He felt that the auction houses and new style speculative dealers were:

"Far too ready to rubber-stamp names and reputations." (Robertson, March 1991, p.28)

Nicholas Logsdail (Director of the Lisson Gallery) spoke of the importance of a "gut reaction" in the selection of new art (Robertson, March 1991). This is a point that is picked up by Ackerman when he writes:

"It is the personality of the dealer that makes the market, not the product. Art works, then, came to be what the artworld's distribution system could handle" (Ackerman 1986, p.48).

The personality of the dealer ultimately sets the tone of the gallery and turns clients' doubts about price into doubts about whether the dealer will let the work of art go (Ackerman, 1986).

Becker (1982) talks of the constraining influence of dealers, but qualifies this judgement by explaining that systems change to accommodate artists, and *vice versa*, and artists are always free to create alternative systems. Becker is referring to dramatic market shifts from the Art Academy to the independent dealer system in *fin de siècle* France, and is, in my view, attributing too much power to the artist. The constraint artists experience from the dealers, therefore, is real and, beyond a monumental societal change, likely to be with us for a very long time. They are, I believe, the same economic constraints experienced by the dealer, and ultimately the broader economic and political constraints experienced by everyone. It is erroneous, I contend, for artists to labour under the delusion that they are any more constrained than the rest of society. They are, in fact, freer to pursue their individual goals than

most, producing, as they do, non-functional commodities, constrained and altered to a lesser degree than the production of much of the rest of society.

Nevertheless, Becker is correct in attributing to the artist a powerful market tool: status. The purchase of a work of art by Marcel Duchamp, for example:

“ Gave the patron entry into the otherwise closed and esoteric world of contemporary art, and access to rank” (Becker, 1982, p.53).

Dealers, as Becker explains (1982), in addition to keeping abreast of market fluctuations in taste and value, hold basic philosophical positions. They attempt to train appreciators into becoming collectors, by appealing to their intellect, financial gain, their vanity, (cultural snobbery) and their spirit (Art for Arts Sake). Singer points out that a very close association exists between the price and quality of an artwork (1988), but Heilbrun and Gray explain, the market price falls somewhere between the reserve price and the buyer’s “subjective willingness to pay” (1993, p.256).

Value

I have noticed, particularly in the case of contemporary Chinese artworks, that artworks were worth a different value in different geographical locations, at different times, and in different markets. At the top end of the market it was the most income-elastic commodity, largely because it is supplied in units of one and demanded by more than one. The demand side also has great income flexibility. Frey and Pommerehne (1989, p.178) have argued that although art is unique and, therefore a monopoly commodity, able to set its own price levels, substitution does exist. A prospective buyer trades his desire for a high priced work against his desire for a lower priced work. Becker (1982) acknowledges that the process through which art evolves³ is very significant but inserts a proviso:

³ Production, execution, manufacture and distribution of materials, support activities, response and appreciation, justification, training of producer, supporter and receiver and civic order (Becker,20)

“ Doing without any of these things affects the work produced. It will not be the same work. But that is far different from saying that it cannot exist at all unless these activities are performed.” (Becker, 1982,p.5)

I agree with Becker that it certainly exists, but not as a measurable artwork, measurable in the sense that differences in degree can be expressed in terms of a unit of measurement. It becomes instead an object with latent economic potential.

The value of an artist's work also depends on the medium. As a general rule, according to Ackerman (1986), artists' prints are worth 20-25% of the price of their drawings or paper works, and paper works 10-20% of the value of their oils. So that if the highest priced oil painting of an artist is US\$ 20,000, their paper works will fetch between US\$2,000 – US\$ 4,000 and his prints, US\$ 400 – US\$ 600.

There are particular factors that contribute to the great income flexibility of artworks, which make it a difficult commodity to substitute for something else. The association of spiritual and material elements (Shell, 1995) and the borrowing of pictorial imagery on coins but most noticeably on bank notes, thereby conflating monetary value with perceived aesthetic beauty, mark artworks as unique. Virginia Hewitt's (1994) description of a 10 Yuan bank note of the China and South Sea Bank Ltd of 1927 is an example not only of how widespread the use of pictorial imagery on bank notes had become by the 20th century, but also of how globally significant Western financial systems, in the form of banks, had become by the beginning of the 20th century.

“ One of the most curious examples of misplaced culture is the classically allegorical plumed helmet worn by a distinctly Oriental woman on a note of the China and South Sea Bank. This intrusive symbol of authority is, however, balanced by the heads of women wearing the head-dresses of regional ethnic minorities, some of whom have the almond-shaped faces traditionally regarded in China as a sign of beauty.” (Hewitt, 1994, p.51)

The appropriation of pictorial images for bank notes re-confirms the important association of artworks and money. Both are portable, realisable assets. Both share a conceptual quality, and a perceived value. Paper money like art has little intrinsic value. Both have a decorative quality and can exist physically.

Examples of the depiction of money in art are manifest. The confusion of aesthetic with monetary value is represented accurately in Gerard Dou's, painting of 'The Quack' of 1652, in which a louche artist sits at a window behind a bogus medicine seller, implying that both are dealing in illusion, and both will be remunerated for selling such illusions.

As Shell explains:

" Art is unlikely to get over its quandary, even in the realm of external economics, until art – as if it could – redefines itself in relation to the spirit in such a way that art still matters." (Shell, 1995,p.117).

This monetary and aesthetic duality which is attributed to artworks is an important factor in a general assessment of the monetary value of art. Arguably, the strength of the association can be said to be more active in the avant-garde market than the alternative market, because the validation of the work as 'real' art is a reflection of the mechanism. Nicholas Logsdail has referred to the not-for-profit sector as "The confirmatory arbiters of significance" (Robertson, March 1991, p.27). It follows, therefore, that work in the alternative market although regarded as art – because it is traded as such – is less 'real' than its avant-garde counterpart. The association of spiritual and monetary value is less marked as a result. Work in the junk art market is not 'real' art at all and its spiritual associations negligible because it is working in a very loosely regulated market.

The art market is able to see into the future by installing fail-safe devices to ensure that certain artists and their work inevitably graduate to the more secure economic territory of Modern and, eventually, Old Master markets. The top artists working in the international art market for avant-garde artworks are promoted through exhibitions in category A galleries, (Brighton and Pearson, 1985) and group and solo shows in national and international museums and art galleries. Their work is represented, at the highest level, at international festivals of art, such as Dokumenta in Kassel, and at the International Biennales of Sao Paolo and Venice (Bongard, 1990). Their work is placed next to that of established masters in monumental retrospectives in public and quasi-public institutions, such as The Royal Academy of Arts' 20th century

blockbuster national art surveys of the 1980s. Their artwork is promoted by national governments overseas. Significantly, their artwork is carefully documented, discussed, collected and critiqued. Such a process greatly reduces the chances that the artists, or their artwork, will lose their appeal and prepares the market for the posthumous stage of their careers.

If art is an economic asset with unique spiritual characteristics, the buyer should not only expect pecuniary returns on his/her investment, but also non-pecuniary gains, such as enjoyment. In the raising of the value of artistic stock, Frey and Pommerehne (1989) have emphasised the importance of fashion, an artist's capital stock accumulated over time through exhibitions and reviews, the time sequence involved in forming that capital stock, the variety of media used, and selling prices achieved over time. In addition, the difference in the cost of producing an extra unit in terms of the raw material, the size of a unit (space limitations might dampen demand and deflate price), gallery advertising (especially critical writing in catalogues) and price expectations, as the artist's reputation is perceived to grow - were all seen to affect prices between the same type of commodities. They have also suggested that these supply side factors, have produced differences in picture prices for the same type of commodity. Frey and Pommerehne (1989) have also noted how demand side factors have impacted on pricing levels. These factors were described as: levels of 'real' per capita income, the rate of return from alternative investments, aesthetic evaluation, hedges against inflation, a price increasing impact (the pedigree of the gallery and artist) and the imminent death of the artist. Interestingly, the two Swiss economists came to the conclusion that nationality had no affect on price, but observed that in most cases only artists who worked in recognised art market centres developed successful careers.

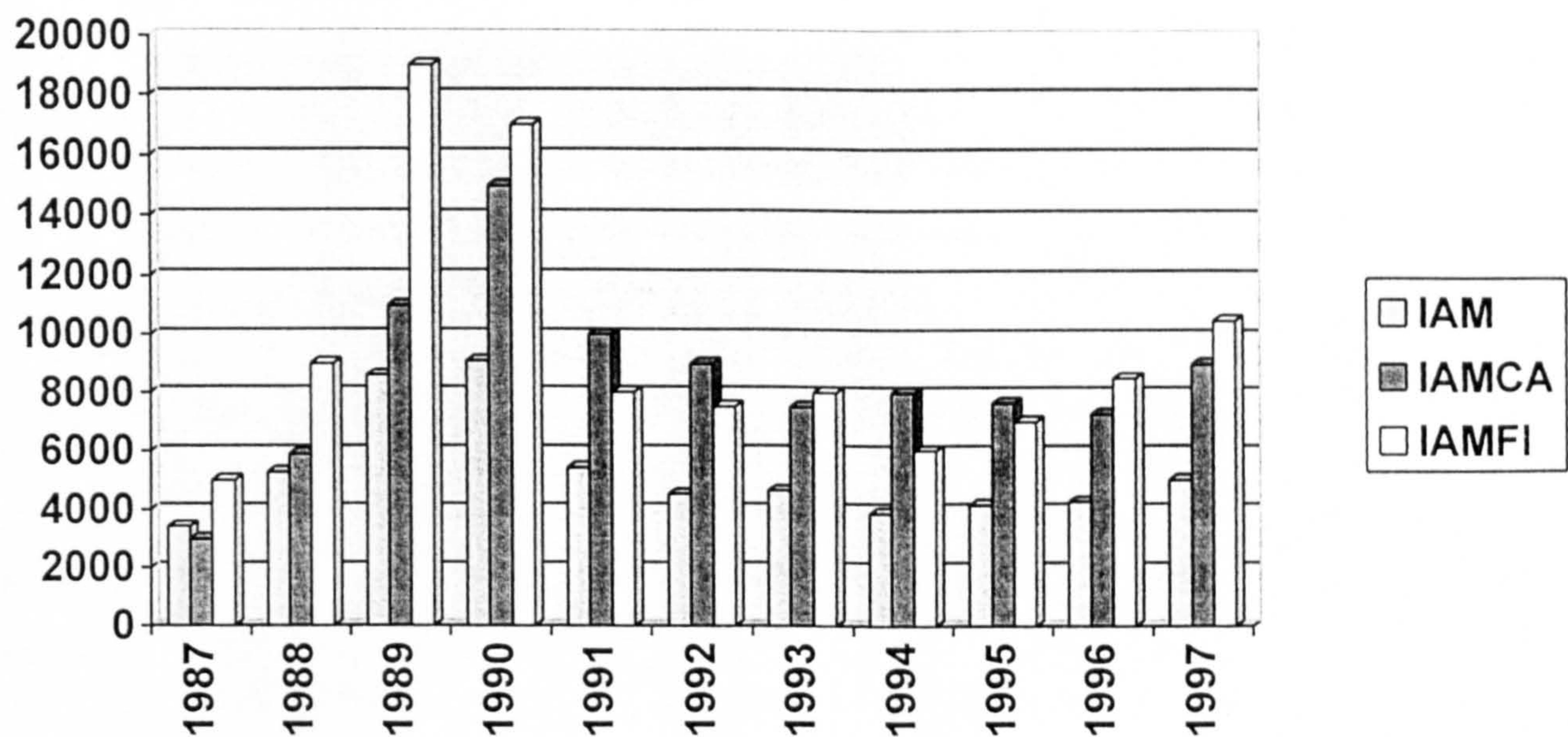
Importantly, supply side factors were also seen, by the two economists, to be determined by external conditions such as, 'real' per capita income, and a speculative or at least opportunity cost consideration (where the buyer might achieve a higher rate of return greater than art if he/she realised his/her assets). The latter consideration is correlated to the artist's age, because when the artist dies supply of his/her work is

finite, it therefore increases in value, and the capital value of the work rises, sometimes dramatically. Since an artwork does not offer a dividend like a stock or rent like a property, its 'real' value lies in exchange, and the death of the artist often provides the optimum moment to sell.

The importance of artworks as an investment has been, historically, slight in comparison with other assets. Reitlinger's voluminous survey of art prices over a 200-year period from 1760 – 1960 (1961), demonstrated that art was not a particularly good 'real' investment. Frey and Pommerehne (1989) arrived at an average 1.5% rate of return over 20 to 39 years, with a Median rate of return of 1.8% and a dramatic loss of –19%, but a maximum return of 26%, with a standard deviation of 6.3% over the same period. Over a 100- 119-year period the fluctuation in returns was reduced to a minimum of –3% and a maximum of 6%, with a standard deviation of 2.4%. Both writers concluded that paintings were not financially profitable and the risk was higher than financial assets. They conceded, however, that paintings did yield a subjective reward or consumption benefit which reduced losses and increased gains. It was also apparent from Frey and Pommerehne's findings that art became less risky but also less profitable the longer it was retained.

The 1990s can claim to be a different economic environment as far as art markets are concerned than the periods observed by either Frey and Pommerehne or Reitlinger as fig.4 demonstrates.

(Fig 4)The performance of the international art market, highlighting the performance of French Impressionists and contemporary artworks from 1987-1997



(Fig 4) The progress of the International art market 1987-1997.Source: The Daily Telegraph 100 measuring shifts in value. Currency SUS, Index, 1975=1000 (DT March 1998) Key: IAM = international art market for all commodities IAMCA = international art market for avant-garde contemporary art. IAMFI = international art market for French Impressionists

According to the Daily Telegraph 100 of March 1998, the gain on the International art market from December 1987 to December 1998 was 46%, and on the contemporary art market 210% over the same period that is almost twice as great as the gains made by the French Impressionists (120%). Highlights at both ends of the decade in terms of prices for contemporary works emphasise how significantly pricing structures have altered since before the end of 1987. For example, at Sotheby’s in London in December 1992, Francis Bacon’s “Study for Portrait VIII” made £1.98 million (£ 2,376,000) and Gerhard Richter’s ‘Hirsch II sold for £242,000 (£ 290,000) at the same auction. In the 1996/7 Willem de Kooning’s ‘Woman’ sold for £ 8,452,380 (£ 8,959,523), (Art Sales Index 1996). Cy Twombly’s ‘ Letter of resignation’ sold for £ 390,000 (£413,400) at Sotheby’s New York, and Lucian Freud’s ‘ Portrait of John Deakin’ sold for ‘£ 810,000 (£858,600) at the same auction in December 1996.

Christopher Wood has asserted that the art market at the end of the 1980s and throughout the 1990s has been exceptionally active, and most significantly contemporary artworks have performed strongly. Since 1988 until 1997 the contemporary artwork index has consistently out-performed the aggregate international index and in the years, 1991, 92, 94 and 1995 has out-performed the French Impressionist index, one of the market's strongest.

Overview

The 1990s have been a decade of overall art market growth, supported by a steadily increasing stock market. Nicholas Faith (1985) notes that a large stock market had persuaded industrialists to sell shares in their own concerns to the benefit of commission seeking brokers and dealers, they were then able to afford large art purchases in another market, which they recognised as been similar to the stock market. Faith has noted how the stock market transferred its values onto artworks, viewing works as investment opportunities. The results of the correlation made between financial stocks and artwork stocks in the last 15 years has done much to increase the value of artworks. By March 1999 the stock market had gained 9,000 points since 1984 (Laird, 1999) and it is logical to make the assumption that the dramatic rise in the art market index had much to do with the shared values of these two markets. Ackerman (1986) has asserted that the great expansion of the art market in the last 15 years was due to the entrance of international funds and a new type of dealer who represented and benefited from 'new' money made from securities and arbitrage. He has described the new 'market maker' as follows:

“ An art dealer is one who breaks even on the operation of his gallery from sales to the public, and may get very rich on what he does not sell to the public, but keeps for his own stock.” (Ackerman, 1986, p.27)

The ease of global communication has resulted in a semi-autonomous art world in which all the sectors share certain characteristics and, significantly, interchangeable personnel. One of the characteristics of globalisation is the homogenisation of accepted taste, and this suggests that product innovation is likely to be only skin deep. The levels of product experimentation in the international art market for avant-garde

artworks that have taken place this century would appear to have left little room for striking innovation in the future, and have compounded this state of affairs. Product differentiation, linked to the market cycle, it can be argued, has become the norm.

The examination of China's contemporary art market, which will be examined in the next chapter, begins at a time when the average price of a picture had risen 153.7% in one year from 1989 – 1990 (Wood, 1997). This is a global phenomenon, and we will see how, if it all, this phenomenon has impacted on Greater China.

Chapter 4 The market for contemporary Chinese art

Chinese contemporary art is an international art market term used to describe artworks that are made by Chinese born artists. The market often does not distinguish between the three regions under discussion: China, Hong Kong and Taiwan. These commodities enjoy a high unit value and income-elasticity and, as with all contemporary art consigned to the market, each one is unique¹ and the result of the labour and inspiration of one individual. Craig Clunas has suggested that some see contemporary Chinese oil paintings as a clever marketing gimmick:

“ Foisting kitsch in defunct European styles on an unsophisticated collecting public.” (Clunas, 1997, p.223)

But, there are, as I have described, two distinct markets for contemporary art in addition to a junk market: the avant-garde and alternative. I will demonstrate that both markets are pathways to different kinds of success, measurable in terms of art market values. The development of an indigenous Chinese art market would indeed open new possibilities for the creation and consumption of art in China, (Clunas, 1997) were it likely to happen. The current reality is that indigenous demand is slight and where it occurs at all, limited to the alternative market. Most demand, at present, comes from Westerners on the international art market and Taiwanese and Hong Kongese supplying their local and regional art markets with art destined for the alternative art market.

At present, the Chinese contemporary art market benefits from a degree of macro-political stability and economic vitality. The development of a section of this market is enhanced by the international art market, the tentacles of which have reached down into the China's indigenous market and been responsible for the metamorphosis of Chinese contemporary artworks into, I would argue, international contemporary art with Chinese characteristics.

¹ Etchings, lithographs and other art forms which are reproduced with the aid of technological and mechanical reproduction have, proportionally, less economic unit value than unique work by the same or similarly successful artists. The unit value of this work is controlled by limiting the number of reproductions (limited edition).

The Chinese contemporary art market as a whole has been assisted further by the regional art market in Hong Kong and the local art market in Taiwan, but is constrained by an undeveloped art market in China itself.

In the last ten years, the international art market has carved a niche for contemporary artworks out of the Greater China market. It has built on the success of the regional art market for Chinese 20th century oil painting in Taiwan in the 1990s, and the promotion of the avant-garde oil paintings known collectively as 'Political Pop', by the commercial art gallery, Hanart, in the late 1980s. The characteristics that the international art market (composed of Hong Kong galleries like Hanart), Western dealers in China, and public sector museum curators in the West have attributed to contemporary Chinese artwork have been based on a loose framework of ideas. This framework has attempted to distinguish contemporary Chinese artworks from other forms of contemporary artwork, but at the same time assimilate it into the greater whole. I have perceived that a part of contemporary Chinese artwork is now a part of the international movement in artworks, distinguishing itself from other commodities within the sector by drawing on certain perceived, unique Chinese characteristics. In the course of this research, the following characteristics have been identified:

Political and economic development in Greater China: There has been monumental and dramatic political, economic and environmental change in the China region in the 1990s

A recent history of tumultuous change: China has undergone fundamental and traumatic changes in the 20th century, on a scale perhaps unmatched anywhere else in the world.

A continuous cultural history, which extends back five millennia: The friction between China's monolithic cultural heritage and dramatic changes in the 20th century, is intense. The long history of the visual arts in China is used to validate current practice.

High technical ability in the Western artistic tradition. Developed by a long tradition of academic teaching in the Art Academies of the region has set Chinese painting apart from its competitors.

The International and regional market for Chinese Contemporary Art

Greater China's art market comprises of one international art market centre in Hong Kong, one local and regional art market centre in Taipei, and one source market in China. The source commodities in China feed the avant-garde and alternative art markets, internationally, regionally and locally.

The market for contemporary Chinese art can be summarised diagrammatically as in fig.5 .

(Fig 5)The market for contemporary artworks

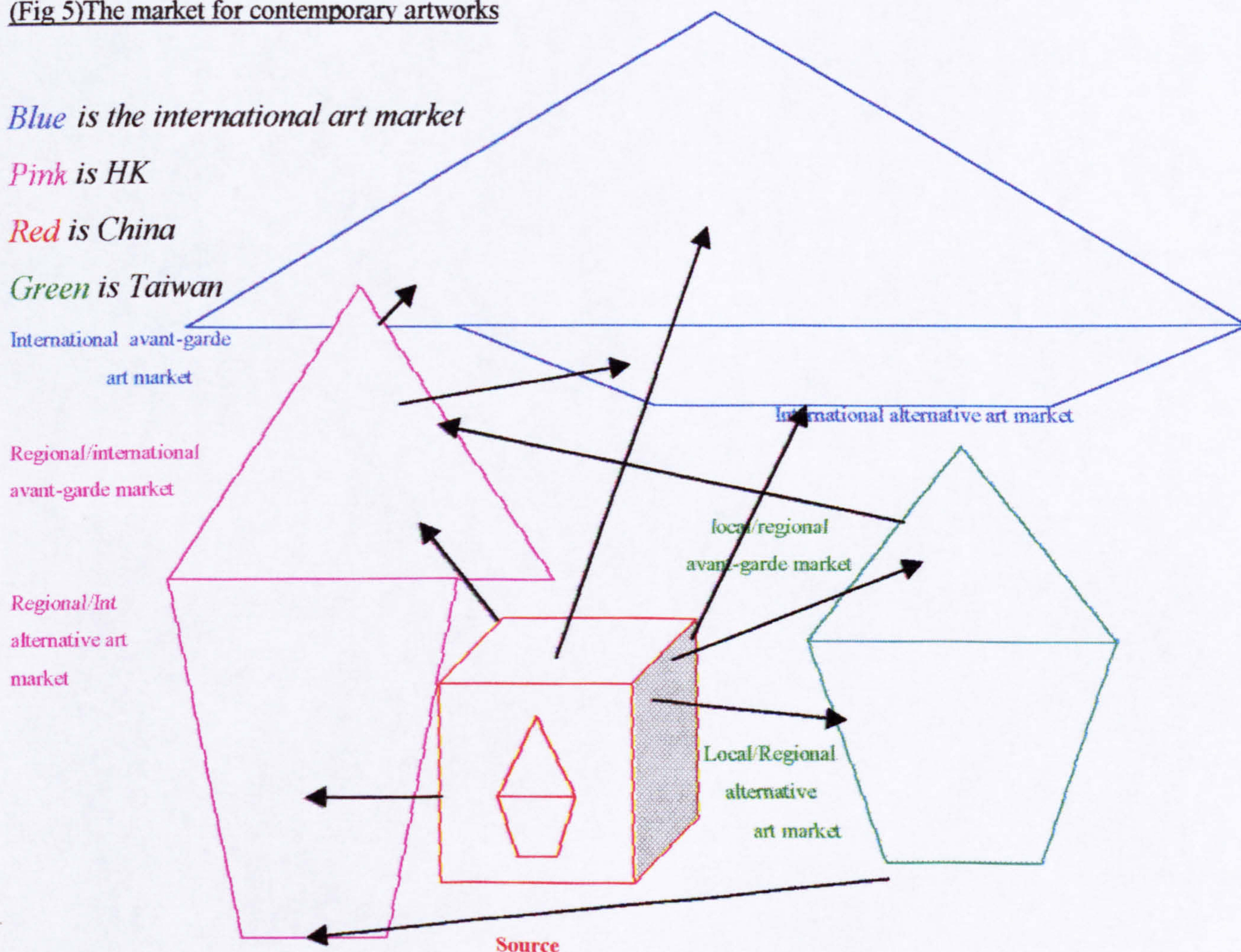


Fig. 5 shows China as a primarily source market, with a small but developing art market of its own, but one that cannot be called indigenous. The diagram also identifies Hong

Kong as an international and regional art market, but not a local art market because although the work of Hong Kong artists is traded, the size of the local market comes nowhere near reaching the amount necessary to sustain an indigenous art market. Taiwan has a large alternative art market and although the international auction houses sell contemporary Chinese artworks in Taipei, the market remains regional, because the buyers are mainly Chinese, and only occasionally South East Asian. I have preferred to see the sale of contemporary Chinese artworks in China, predominantly to foreign buyers on the international art market, as an extension of the phenomenon of economic zoning in China. These are areas from which a commodity made in China can be sold on the international art market, but which bears no relation to the country's indigenous art market. The development of such a market is ultimately extremely fragile and overly reliant on art market factors outside its control i.e. a change in international taste away from contemporary Chinese artwork.

The International Dimension. Drawing international attention to the international art market in China

The market in China was split in the 1990s between the predominant alternative art market, which operates on an international level, the regional art markets in Taiwan and Hong Kong, and the small, heavily promoted and keenly priced, Western operated international art market for Chinese contemporary artworks in China.

On the 12th October 1998, Christie's conducted a special auction dedicated to contemporary Chinese painting. The auction included paintings by some of the leading avant-garde contemporary figures. However, only 25% of the works were sold and the remaining prices were generally disappointing (see Appendix 2, Christie's Auction – 'Asian Avant-garde'). This failure demonstrates that despite commercial gallery promotion and low prices compared to Western equivalents (see Appendix 2, Christie's contemporary sale, October 1998), the international art market for Chinese contemporary artworks is underdeveloped. In contrast, the auctions of primarily risk-averse artwork in Taiwan and Beijing show that the alternative art market has a significant market and can attract high prices, up to \$503,100 for Chen Yifei's 'Poppy' in 1991 (see Appendix 2, auction house data for Chen Yifei,).

The internationalisation of contemporary Chinese artworks has been an extremely recent phenomenon. In 1974, China was invited to submit works of art by its most promising artists to the Sao Paolo Biennale. It sent four paper-cuts, which were rejected by Sao Paolo's exhibition organisation committee. Twenty years later, the Hong Kong curator/dealer, Johnson Chang, founder, in 1977, of Hanart HK, brought to the artworld's attention the work of a group of ostracised Academy trained Chinese artists. He represented their work himself at the Biennale in São Paolo in 1994. São Paolo's decision to accept Hanart's selection was based on a seminal exhibition by the gallery in 1993; 'New Art from China'.

Chang has maintained that the new work came to his attention in 1983, and he has described it as:

"Technically brilliant, focussed and intense, and I have a strong feeling it will take off faster than Taiwanese art for example" (Robertson, Sept 1995).

There is a branch of Hanart in Taipei regularly showing Taiwanese avant-garde work, so Chang's words were not prompted simply by self-interest. Chang did most of his buying in the years between the 1989 Tiananmen Square massacre and the relaxing of the mainland Authority's restrictions on artists in 1992, by which time he had acquired a vast collection of oil paintings. As early as 1983 Chang decided to deal exclusively in the work of contemporary Chinese artists. His ability to convince the radical organising committee of the São Paolo Biennale of the potential worth of the new artwork is testimony to his persuasive skills, and to the prevailing mood of international optimism about China.

In 1992 and 1993, Chang's stable of artists were exhibited in exhibitions in Australia, Europe and Asia, and Hanart entered into a relationship with Marlborough Fine Art in London. Chang is a business acquaintance of Gilbert Lloyd, then one of the Directors of Marlborough Fine Art, one of the world's largest commercial art businesses, and most of the paintings which were shown in the Marlborough show in London in 1993 were sold to European and American buyers. Those that did not sell have entered Marlborough's comprehensive stock of other contemporary work (Robertson, Nov 1994). Chang has also

been able to internationalise his commodity because of the largesse of regional art market operators. He has received financial support from the privately owned Shenzhen Dong Hui Industrial Share Company (a property developer in the Special Economic Zone of Shenzhen, adjacent to Hong Kong) which acquired a number of works. He is also supported by David Tang, owner of Shanghai Tang department stores in Hong Kong and New York and China Clubs in Hong Kong and Beijing. Tang's China Club in Hong Kong is filled with the most sought after Political Pop works of art (Robertson, Nov,1994).

Chang makes regular sorties to the mainland in search of the next generation to follow on from the 'Political Pop' artists of the early 1990s. In 1995, flushed with the success of two of his protégés at the Venice Biennale, Liu Wei (illus.1) and Zhang Xiaogang (illus.2), Chang gave further confirmation that it is mainland Chinese artists that really interest him. He had not held a significant exhibition of Taiwanese artist in Hanart Taipei since the 'New Tribes' exhibition in Taiwan in 1993 (Robertson, Sept,1995).

Chang has also secured key shows for his artists in the UK in 1993 at the Museum of Modern Art in Oxford (Exhib.3) and in 1996 at the Fruitmarket and Cornerhouse galleries in Edinburgh and Manchester (Exhib.28). He has also secured key public exhibitions for his sculptor, Ju Ming. Ju's Tai Chi series (illus.3) exhibited in London in 1993, and in Paris in 1998 were significant boosts to the artist's recognition in the West. Chang is presently (December 1999) trying to locate a venue for his exhibition of contemporary calligraphy, entitled 'The Word', an exhibition which draws heavily on Chinese calligraphy and may provide the key to success in the avant-garde market for Chinese contemporary artworks.

Among the many important overseas exhibitions of Chinese artworks in the 1990s, the New York Guggenheim's show of 'Five thousand years of Chinese art' – 1998, was one of the most ambitious, with its section devoted to the contemporary arts of China.

According to Jane de Bevoise (Deputy Director for Programs at the Guggenheim in New York) some 350,000 people attended the two-month show in New York, and 550,000 the Bilbao leg of the exhibition. De Bevoise, spoke of a convergence which was taking place between the Western avant-garde and its Chinese equivalent in the international art market. She suggested also that the new Chinese oil painting, in particular, now that it has

moved beyond the lightweight irreverence of Political Pop, “might freshen up” oil painting in the West. (Int.129).

It is not just Western cultural institutions that interest the Western run dealerships in China; important Western collectors are also targeted. The Courtyard Gallery in Beijing, owned by American lawyer, Handel Lee, organised a tour for the Swiss Collectors Association to five cities in China to view the exhibited work of some New wave Chinese artists in 1997. The collector / dealers included Rudi Staechlin and Mrs Barbier Muller (Robertson, Jan, 1998).

Western dealers in Contemporary Chinese art

There is some evidence to suggest that the international art market variety of Chinese contemporary artwork is gaining a commercial foothold in London, despite poor auction house results, as part of the wider contemporary art market. Marlborough was the first gallery in London to show contemporary Chinese artwork, in a collaborative exhibition with Johnson Chang in December 1993. Gilbert Lloyd, Marlborough’s Chief Executive, recently sold a work of Fang Lijun (illus.5) by ‘private treaty’ (Fang Lijun sold ‘Untitled’ for \$50,724 at Sungari in 1995, see Appendix, contemporary Chinese) and represented the artist’s work at the Venice Biennale in 1998. Marlborough has also sold Chinese international art market work through its Tokyo office (Int.90).

The London dealer, Caroline Blunden, deals exclusively in works by Chinese artists or Chinese inspired Western artists. The Western contemporary art specialist, Julia Colman, and merchant banker, Ludovic Bois, run the Chinese Contemporary Gallery in London, which opened in November 1996. They deal at the lower end of the international art market, but make regular shopping trips to China’s Art Academies, as well as using their Beijing agent, Sally Beaumont, to source work. The gallery also shows the work of artists represented by Western run galleries in China. The gallery’s collectors are broadly a third English, a third European, and a third Asian/American, with an interest in contemporary art, rather than Asian art (Int.91). The gallery shows artists who are represented by Western owned galleries in China like; Shen Fan (illus.4) of Shanghai’s ShanghART and

Guo Jin of Hong Kong's Shoeni (Guo jin sold 'Memory, No-1 through Christie's London in 1998 for \$7,682 – see auction house results for contemporary Chinese artworks).

The Paris based Galerie de France, which was behind the career of the Chinese avant-garde star, Zao Wou-ki, (illus.6) is still very active in the Chinese market (Zao often sells work for over \$200,000 – see Appendix auction house prices of Zao Wou-ki) It shows the work of young avant-garde artists: Fang Lijun, Gu Dexin (for whom they are European representatives), Zhang Peli, and Zhang Xiaogang (Zhang's 'Blood-line' paintings have sold for \$9,487 – see auction house price for contemporary Chinese) whom they represent on behalf of Hanart in Paris). A representative of their Gallery, Cheng Xindong, took a stand at the 1997 Shanghai art fair, and explained that China was high on the gallery's list of priorities, saying that:

" After 48 years of Communism, Chinese people have lost their feeling for art, regarding it as a commodity investment. But with more arts events, this trend might be reversed and eurocentric Shanghai is where a love of culture might be reborn" (Robertson 304, January 1998).

Regional and international dealers for the alternative art market

There are still instances of Taiwan galleries buying a mainland Chinese artist's entire output outright, only to unload the work gradually at greatly inflated prices in Taiwan. This form of business is, however, increasingly out of favour as the number of Taiwanese travelling to and working in China increases, and the number of alternative art market galleries operating in China increases.

The Taiwan dealer, Joanna Cheng of Masterpiece Gallery in Taipei, visits Shanghai on a regular basis to acquire limited edition prints. Both she and Johnson Chang noted in 1995 (Robertson, Sept, 1995) (Int.153,Int.159) that there was no market for contemporary Chinese artwork in China. The lack of a coherent, indigenous art market in China is clearly an invitation for the commercial galleries in Taiwan to move in and provide an outlet for local artists. Even if the new stars are, as Ms Cheng believes, becoming more aware of their worth, there are still rich pickings to be had for Taiwan's galleries. There are a number of other major Taiwanese galleries that deal in art from the mainland, and with the exception of an avant-garde (almost blue chip/Modern) heavy weight like Zao

Wou-ki, all the other artists from China that the gallery represents are traded in the alternative art market. As of October 1999, a sample of the main galleries and their artists are listed in fig.6:

(Fig 6) Main Taiwanese dealers of Chinese contemporary art

Chuan Cheng Art Center
Dynasty Art Group
Ellen Art Development
Expol-Sources Fine Art Gallery
Genius Art Center
Imavision Gallery
Julia Gallery
Han Mo Xuan-represent Wu Guanzhong
Ever Harvest Art Gallery-represent Zao Wou-ki
Kin & Keng- represent Zao Wou-ki

The Western dealers who are currently involved in the China market are mostly based overseas or in Hong Kong. There are, at present, no Western dealers in Taiwan, and only a handful on the mainland in Beijing and Shanghai. The most powerful is the international Marlborough Fine Art, whose Asia Director is Alice Piccus. Marlborough manages a stable of over 80 artists and the career of Chen Yifei (illus.7) in the alternative art market, the erstwhile Communist propaganda artist, whom the gallery acquired from Hammer Galleries in New York. Armand Hammer was a great admirer of Chen's work, and by collecting was extremely important in establishing his reputation (Rhuberg & Yu, 1996). Chen, whom Lloyd suggests works in a 'Romantic Realist' style (Rhuberg & Yu, 1996), left for America in the early 1980s. Under exclusive contract to Marlborough, his work was exhibited at Art Asia in Hong Kong in 1992, the 47th Venice Biennale in 1997, and at the Shanghai Art Museum in 1996.(Int.57). Lloyd also secured a show for the artist at the Granet Museum in Aix en Provence (Int.90). His work is exhibited world wide through Marlborough's galleries in Tokyo, New York, London and Hong Kong. His paintings also appear in auctions primarily in China (Guardian- for between \$100,000 and \$250,000- see auction house results for Chen Yifei), Christie's Hong Kong (1997) (see Appendix), at the Taipei Art Fair (1997, 98) where, according to Gilbert Lloyd, Chen Yifei is a great hero, and at the Contemporary Art Fair in London.(Int.57) (Robertson, Jan,1998).

Regional and International dealers in the avant-garde market (for traditional type work)

Outside Greater China during the late 1990s, New York and London galleries have gradually been loading their inventories with contemporary Chinese artworks. In addition to the Marlborough, which is a multi-national concern in art market terms, leading London dealer, Michael Goedhuis,² has an impressive selection of more traditional, pen and ink artists, amongst them Taiwanese and émigrés from an older generation. He has a great liking for one of Chang's Taiwanese Traditionalists, Yu Peng (illus.8), and thinks that this artist would complement his stable. Goedhuis sells internationally, and promotes one of his artists; Gu Gan (illus.9) through the 1999 Rothschild vintage wine label³. Goedhuis has said of the avant-garde contemporary market:

“ The most interesting developments in Chinese contemporary art in the future are likely to be linked to the classical tradition.” I think Political Pop is funny, irreverent and very commercial, but it is localised in time and place and will fade away. When something is popular, the Chinese are the first to churn it out.” (Int.89)

This is certainly a line taken by Johnson Chang. In October 1997, he said:

“ I want to find art that will define certain aspects of traditional culture, which I think of as high art. I want to show people what I find interesting from the perspective of a traditional connoisseur and what I see in the new art which is not part of that tradition. We are talking as much about international standards as we are about the Chinese contemporary art scene.” (Robertson, Jan, 1998).

Chang has elegantly drawn a comparison between the self referential nature of Chinese traditional culture, which he asserts is just like the avant-garde in the West, and his fear that good taste, proportion and the great traditions of calligraphy and poetry have died out. His firmly held views about the importance of resurrecting tradition were encapsulated in the statement below:

² Michael Goedhuis is a former merchant banker and art business partner of Jacob Rothschild. Together they formed a company called Colnaghi Oriental and dealt in Chinese bronzes. Goedhuis now deals in Chinese Contemporary art as well.

“ I’ve always tried to wheel Chinese culture towards more traditional forms of cultural expression; that is my *raison d’etre*. I’m very keen on the new commercial work, but actively looking for a more traditional culture.” (Robertson, March 1999)

Chang believes strongly that any revival of the *guohua* tradition must come from China, from a province like Shandong where, he asserts, the people are righteous and upright. To this end he is considering organising a craft competition to encourage traditional skills. Chang’s scheme to acquire a building in five or six canal towns in the Jiangnan region of China, turning them into traditional inns is important. A part of each inn would be devoted to a sign-making shop, in which shop signs would be carved on wood and bamboo, with a selection of poetic couplets for different trades. Chang has observed:

Couplet writing is the foundation of Classical poetry. Competitions could be arranged, and we would uncover a pool of good calligraphers whose work could be commissioned to order. This would be economically viable. It has to be, because without a market it will flounder.” (Int.153)

It is Chang’s belief that from amongst a body of young students who are learning to play classical instruments, and write classical metered poetry, a new literati will emerge, or at least an appreciative audience for Classical culture. Chang is overestimating the numbers of artists and levels of skill in China, judging from my observations at Academies of Art in China.

The Western dealers in China are reluctant to become involved in the avant-garde market (for traditional type work). Brian Wallace, an Australian dealer based in Beijing, does not possess Chang’s great understanding and affection for Chinese traditional culture, yet he confirms that buyers are drifting away from ‘Political Pop’. Oil painting as a medium will, he believes, continue to be used, with the technical quality of the painting emphasised over the content. Wallace also indicated that he was moving in the direction of dealing in ink and paper as a material which artists use in a figurative manner. Karen Smith, the former Manager of the Courtyard and a British trained artist, who has lived and worked in China for many years, is however reticent about dealing with traditional style work, since it is so far outside her experience. (Robertson, Jan,1998).

³ Chateau Mouton Rothschild has been commissioning famous contemporary artists to design the labels of their wine for over fifty years.

Hugh and Colette Hawes of the Eastern Gallery in Bloomsbury have been dealing in contemporary Chinese artwork since 1963. They acquired the works from trading companies and former artist co-operatives in China, like the China International Book Trading Company and the Retired Artists Association. The Gallery is finding it increasingly expensive to buy the work of artists from the mainland, and often turns to Chinese émigrés living in the United Kingdom, such as the etcher, Liu Haiming for its purchases (Int.93) (Robertson, May 1998)(illus.10).

Lawrence Wu, the Chinese dealer/collector based in New York, is referred to with reverence by the likes of Gilbert Lloyd and Johnson Chang. In Chang's words:

“ He has very good taste, and is the only really successful dealer who dealt with the West at that high level. He has a particularly good eye for Classical painting.” (Int.153)

Although New York has been excluded from the discussion on Greater China art markets (see pages 23 and 24), it is helpful, I think, to touch on the importance of the city to this market and on a couple of reciprocal transatlantic and transpacific relationships between dealers in this exclusive arena. New York dealer, Holly Solomon, is active in the sale of this kind of contemporary Chinese artwork, as is dealer, Eothen Cohen, who claims that he has influenced Michael Goedhuis' taste (Robertson, Jan, 1998), an assertion which was categorically denied by Goedhuis (Int.89). Lehman Maupin is another US contemporary gallery which, at the time of the Guggenheim show ventured into this type of contemporary Chinese artwork. Others who hold regular exhibitions are New York based Max Prothe and Jack Tilton. There is also a Boston gallery/tea house, called Qing Ping and Lin Galleries of San Francisco, all of which have strong links with the Red Gate Gallery in Beijing.

Few overseas dealers are turning their entire stock over to contemporary Chinese art. In the middle of 1999 Michael Goedhuis decided to venture into the world of Western contemporary art in order to spread the risk of dealing in a sector of the international art market which has narrow profit margins. Despite a healthy and intelligent interest from the West in Chinese contemporary artworks of all types, there is still a suspicion, according to Karen Smith, that overseas dealers approach the China market in the wrong way (Robertson, Jan, 1998).

“ Some galleries, are primarily in it for the money. They come to China thinking they can walk in, do a deal and walk out with a profit. They think labour is cheap and therefore the commodity should be inexpensive. This is not a healthy business attitude” (Robertson, Jan, 1998).

Ingredients for the Establishment of an Art Market in (Greater) China

Have international prices been achieved for the artworks?

Gilbert Lloyd, who divides himself between the alternative and avant-garde markets, but whose greatest asset is Chen Yifei, an alternative art market star, has said:

“ I think it is very good that Chinese artists are being sold internationally, but it is to a certain degree worrying that there is a slight difference between auction house prices and the prices achieved outside the auction house. So far, however, it has not affected the market and that’s the bottom line. We are selling very well by private treaty, and whenever our artist, Chen Yifei, is in an auction he does very well, so I am not going to complain.” (Robertson ,Jan,1998)

An additional concern should be that reserves are often ignored in the desire to secure a sale. At the Beijing auction in October 1997, Chen Yifei’s ‘Four Graces’ sold for \$278,985⁴ (see Appendix 2 - auction house prices for Chen Yifei) (illus.11). It was rumoured that Marlborough had itself bought back the work (Robertson, Dec, 1997). A rumour, which was voiced rather more emphatically by Michael Goedhuis, who asserted that:

“Chen Yifei’s market has been fixed, it’s a totally artificial market.” (Int.89)

Gilbert Lloyd confirmed that he sold Chen Yifei’s paintings to Europeans, among them two British collectors, and Americans at his exhibition in London early in 1998, which boded well for the artist’s launch into Europe and the United States in that year (Int.90).

⁴ ‘Lingering Melodies’ from the Xunyang River had become the most expensive painting by a living Chinese artist, when it made \$177,878 in Hong Kong. It was re-sold for \$357,831 through Guardian, Beijing in April 1999 (see Appendix, auction house prices for Chen Yifei).

Chen Yifei is the exception, but prices have risen for the younger generation of avant-garde artists on the international art market as well. Chang asserts that:

“ These are amongst the luckiest artists around, prices for their work have risen ten fold (1990-1994) to around US\$20,000”.(Robertson,294, September 1995)

The stars in Chang’s contemporary Chinese artwork stable have increased dramatically in value and some have come close to those prices attained by Western contemporary artists (see Appendix 2 on the contemporary art sale for western contemporary art). Price movements for four of Hanart’s avant-garde art market stars (courtesy of Hanart HK, July 1999) are illustrated below in (figures 7- 10).

(Fig 7) Liu Wei – price evolution					
Date	Sizecms	HK\$	HK\$persq m	US\$	Variation
1993	50x50	30,000	12	3,896	
1993	80x80	80,000	12.50	10,389	104%
1995	100x100	135,000	13.50	17,532	108%
1999	150x200	387,500	12.92	50,324	96%
1999	80x100	93,000	11.63	12,077	90%

(Fig 8)Yu Youhan – price evolution					
Date	Sizecms	HK\$	HK\$persq m	US\$	Variation
1992	133x157	232,500	11.13	30,194	
1992	74x88	93,000	14.28	12,077	128%
1995	154x118	207,000	11.39	26,883	80%
1998	150x113.2	211,800	12.47	27,506	110%
1998	118x186	310,000	14.12	40,259	113%

(Fig 9) Wang Guangyi –price evolution					
Year	Sizecms	HK\$	HK\$per sqcm	US\$	Variation
1992	97x97	75,000	7.97	9,740	
1995	150x120	280,000	15.56	36,363	195%
1998	150x120	255,600	14.20	33,194	91%

(Fig 10) Zhang Xiaogang-price evolution					
Year	Sizecms	HK\$	HK\$persqcm	US\$	Variation
1995	180x150	263,500	9.76	34,220	
1998	150x180	310,000	11.48	40,259	118%
1998	130x100	156,860	8.04	20,371	70%

Michael Goedhuis has noted the following increases for his stable of artists (courtesy of Michael Goedhuis Gallery, London)⁵ illustrated in figure 11:

(Fig 11) Michael Goedhuis' artists price evolution		
Artist:	Early 1990s	Current
Gu Gan	\$ 500	\$ 5,000-8,000
Tseng Yuho	\$3,000	\$ 20,000
Yang Yanping	\$3,000	\$40,000
Grace Tong	\$1,000	\$10,000
Ma Desheng	\$1,000	\$15,000

The Western-run galleries in China keep prices below levels in London and New York for avant-garde artwork. The artist Zhou Chunya's painting 'Green Heigen no 2'(illus.12a) 1997 for example was on sale in a Shanghai Gallery (Longrun) at the same time as the almost identical 'Green Heigen no1'(illus.12b) was on sale in Chinese Contemporary Gallery in London. The Shanghai example was priced at 65,000 RMB (\$5,416), and the British example at £ 6,800. The price differential in this case was 25% (Robertson,Nov,1999). The prices for works in the alternative art market in China were, I noticed, notably higher than the prices for avant-garde work (see Appendix - auction house prices for contemporary Chinese artworks). Greater China was certainly the centre for the alternative art market in contemporary Chinese artworks (see Appendix – breakdown of art works into risk averse and risk neutral. Also see list of galleries and respective markets).

Wallace believes that Chinese based galleries were starting to attract more buyers from the rest of Asia, fed up with paying Hong Kong and London prices, and keen to see the work of artists who were not by and large represented in Hong Kong (Int.60). Red gate, which operated in the middle market, broke its prices down broadly into the following (see fig. 12):

⁵ As a general rule, prices are regulated according to the sales percentage at shows. If 30% sells, the price is probably too high. If 90% sales the prices are too low. He believes that Hugh Moss, the Hong Kong dealer, hiked the prices too high too soon in the 1980s, creating a fragile market not a broad collecting base. It is most profitable to control prices and not become a hostage to demand. (Int.118).

(Fig 12) Source: Redgate
Gallery - 1998

Prints: \$ 400-500
Paintings: \$5,000-7,000
Sculptures: \$US1,500-4,000

The Chinese market is, at present, immune to currency fluctuations, since the government has resisted currency devaluation, but even a devaluation would be irrelevant to Wallace's customers according to the dealer because as he explained:

“ To them the RMB is like monopoly money. Anyway, we quote our prices in \$US.” (Robertson, Oct, 1998)

What is the Indigenous art market's level of development ?

My surveys into China's contemporary art market reveal that it is an extremely small market (Robertson, Oct 1996, Sept, 1995, Jan, 1998 a), b), Nov, 1999). The principal auction house is Guardian, founded in 1994, with an office in Hong Kong, a club in Shanghai and auction houses in Guangzhou and Beijing. Sungari, a smaller operation which dealt exclusively avant-garde artworks, closed in 1999. There are other auction houses in China, but they do not sell the artworks which are the concern of this study – contemporary, Chinese and broadly avant-garde or alternative as defined by the galleries which deal in them.

In recent years a number of Chinese run galleries have opened in Beijing and Shanghai. Most have targeted the alternative art market, but a few have set themselves up in direct competition to the Western run international art market ventures established at the beginning of the 1990s. Fig.13 lists the contemporary, commercial art galleries in Shanghai and Beijing, describes the market in which they operate (Art Market), and the type of work they promote (Nature of work). The Gallery Survey in Appendix 1 measures the quality of Chinese galleries in relation to those in Taiwan and Hong Kong.

(Fig 13) Galleries in Shanghai and Beijing, Chinese owned unless stated. All work by Chinese artists
(as of October 1999)

Gallery	Art market	Nature of wrk
Ashanti	RAM(HK)	AAM
Babisong Gallery	RAM	AG
Black Apple Galleries	RAM	AG
Bei Gallery	RAM	AAM
Chang An Gallery	RAM	AAM
C&S Gallery	RAM	AAM
Courtyard	IAM(Foreign)	AG
Creation Gallery	RAM	AAM
Elegant Art Gallery	RAM	AG
Hanmo Gallery	RAM	AG
Hwa's Gallery	RAM	AAM
J Gallery	RAM(Foreign)	AAM
Longrun	RAM	AAM
New Amsterdam Consul	IAM(Foreign)	AG
Qin Gallery	RAM	AAM
Red gate	IAM(Foreign)	AG
Shanghai Stanney	RAM	JAM ---
Shanghai Yibo	RAM	AAM
Shanghart	IAM (Foreign)	AG
Sybil	RAM	AG
Tien Fang	RAM	AG
Wan Fong Gallery	RAM(HK)	AAM
		AAM
Yi ren	RAM	JAM ---

Key to acronyms: RAM=Regional art market, IAM=international art market,
AAM=alternative art market for popular images, AG=Avant-garde art market. JAM=Junk art market

Shanghai

Shi- Jianbang formerly of Christie's Shanghai, worked for five months with Longrun, and went on to found an art consultancy, Stone Art, in 1998 in Huashan Rd, Shanghai. He explained:

“ People spend US\$ 1,500 per square meter for an apartment in the most prestigious blocks in Shanghai. A Pudong broker (*dahu*), I know has spent US\$ 10 million on art at auctions in Hong Kong over the last five years. I know a lot of brokers who are becoming interested in contemporary art. There are about ten big-league spenders in the city” (Robertson, Oct,1998).

In August 1999, (Int.131) he explained that as the occupancy levels in Pudong (Shanghai's new business centre) grow, the demand for painting and public sculpture will be great. This will come as a relief to Chinese dealers, because as Wang Dawei, Vice President of the College of Fine Art, Shanghai, explained (Int.117), inflated prices in Chinese galleries were making it difficult for them to unload stock and make money.

Alternative art market dealers

One Pudong gallery, which is representative of the type of venture in the city's new financial centre, is the Chang-an gallery (Chang-an is the ancient name of Xi'an, former capital of China). Founded in 1998 it deals in oil paintings by Xi'an artists like Guo Yushen and Jianqun, who sell landscapes and soft focus oils from 15,000 – 30,000 RMB (\$1,875 - \$3,750) (Int.122).

By far the most impressive gallery in this sector of the city, is Shanghai Yibo Gallery Ltd, occupying a glass fronted ground floor space near the stock market. The Company President, Zhao Jianping, a great respecter of 19th century European academic oil paintings, holds a rich inventory of Chinese oil painting Masters, as well as the work of their younger contemporaries. Shanghai Yibo has strong links with the Hanmo gallery in

Beijing, and consigns the work of Xia Junna (illus.13) whose work can fetch \$US 10,000 to that gallery. (Int.128), (Robertson, Nov, 1999).

The satellite town of Gubei near the Liu Haisu Art Museum and Shanghai Oil Painting and Sculpture Institute, is full of 200 sq meter apartments priced at about US\$ 250,000 each (Shanghai Centaline Property Agency Ltd). It is home also to a number of new galleries, which cater in the main to Taiwanese, Hong Kong and new rich (*dahu*) taste, but also holds works by avant-garde artists(Int.124,Int.126).

Alternative and avant-garde art markets dealers

Longrun, founded in 1997, a large second floor gallery situated in a residential building called 'Roma Garden' handles a mixture of works for the alternative art market and avant-garde works. Prices are high. The risk-neutral work: 'Green Heigen No2' by Zhou Chunya which forms part of the gallery's permanent collection is positioned next to major works by artists in the alternative art market (Robertson, Nov, 1999, Int,126).

Hwa's Gallery, run by the owner of a Pudong framing factory, Hua Yazhou, was founded in 1998, and conforms to the Longrun mould of high priced risk-averse work with scattered examples of risk-neutral artwork. Hwa took 10 stands at the Shanghai art fair in October 1999 and has also linked up with ARTCO of France to produce lithographs of the work of one of his alternative art market artists – Wang Xianming. In common with the aforementioned galleries in Gubei, the Bei Gallery concentrates on the risk-averse artwork and artists such as Qinming, with a few concessions made to the avant-garde art market, and artists such as Shen Jiawei and Xu Mang Yao. Prices range from 20,000 RMB – 100,000RMB (\$2,500 – 12,500). The artist Chang Qing (illus.14), an alternative art market superstar was included in all the above galleries inventories (Robertson, Nov,1999, Int.124).

Alternative art market (for traditional type art) dealers

The small C&S gallery is just one of a number which trade in contemporary *guohua* type artwork. There are other such galleries in Shanghai, but their profile is such that I found

research into this market sector unrewarding. It is an area which warrants further investigation (Robertson, Jan,1998).

Avant-garde art market dealers

In Shanghai, ShanghART, run by the Swiss entrepreneur, Lorenz Helbling, has recently moved from its Portman hotel foyer space to a white cube space, which is part of a building owned by the night club, 1997. ShanghART deals in the so-called Shanghai school of artists such as Ding Yi, Shen Fan, Nan Xi, Jie Tiehai, Ji Wenyu (illu.15) Tang Guo (illu.16) and Pu Jie. All works are aimed at the international art market. The work is sold from \$1,000 to \$3,000 . Helbling asserted forcefully at the Shanghai 1997 art fair that he didn't want to become an international dealer, but was interested, rather, in developing the local art market in Shanghai. The reality is that nearly all of his clients are foreigners, and ShanghART promotes itself assiduously overseas, through its web-site and list of contacts in overseas not-for-profit galleries (discussed later under the question dealing with the encouragement of international competition) (Robertson,300, Int.58).

Helbling rotates his shows every 3-4 weeks. His current crop of exclusively Shanghai artists, like Zhao Bandi (illu.17) and Li Shan (illu.18) sell for as little as 4,500 (\$562) and older works by the artist Pu Jie to as much as 10,000 RMB (\$1,250). Helbling also deals in small scale sculpture and mixed media work, such as the sausage like figures of Chen Yanyin.

The Elegant Art Gallery, founded in October 1998, has set itself a different target audience from most Chinese run galleries. Ada Zhu and Ma Haoming who run the gallery have taken their lead from the Western owned Shanghai based gallery, ShanghART, and show work by avant-garde artists like Yuan Guahua (6,500 RMB-\$812), and Wu Xiao Yen whose views of Suzhou command 3,500 RMB (\$437). The gallery also shows the strange intrinsic bodily forms of Weida Hu (illus19), which sell for about 25,000 RMB (\$3,125). The Elegant Gallery's prices are more competitive than ShanghART's, but comparable in appearance (Robertson,Nov,1999).

In the former French quarter of Shanghai, there are a number of new smaller galleries, which have either set their sights on the foreign supported avant-garde international art market, or junk art market- supported by tourism. The Babisong (est.1994) and Black Apple galleries (est.1999), sell in the former market. Babisong deals in the work of Cheng Hangfeng, who sells for 4,000 – 7,800 RMB (\$500 -\$975) and Black Apple in a host of keenly priced, avant-garde artists to rival ShanghART's stable, but at prices which slightly undercut the Western owned venture.

Junk art market dealers

Towards the market's base is Shanghai Stanney, owned by Frank Zhen, selling cheaper alternative art market works to Asian tourists at prices which range from 2,500 RMB – 22,000 RMB (\$312 - \$2,750). The Yi Ren Gallery is at the market's base, selling oil painting copies of original Impressionist masterpieces for about 1,650 RMB (\$206) and prints for 450 RMB (\$56). In addition to Yi Ren there are numerous gift shops and market stalls at which copies of risk-averse artwork can be acquired for as little as 200 RMB (\$25)(Robertson,Nov,1999) (Int.127).

Beijing's Avant-garde art market dealers

Beijing's galleries are situated in areas frequented by tourists and expatriates. The only Chinese run gallery in this market, working off the tourist map, is the Central Academy's CIFA gallery. The gallery is funded by the Hainan, Hong Kong Maçao International Trust and investment Co Ltd and Hainan Hong Kong Maçao Assets Management Company which have joined forces with the Central Academy of Fine Art to form the CIFA Gallery. Wen Lin, a knowledgeable art world figure, curates the CIFA shows, and the gallery survives with a very adventurous programme of exhibitions, introducing new works by artists like Liu Wei to the international art market (Robertson,304).

Tian Fang Gallery, which opened in April 1998, is headed by Sophie Lin. It is situated in Sanlitun, the diplomatic quarter. Ms Lin opened one of the very first commercial galleries, the Oriental Painting gallery, in 1988, but was forced to close for financial reasons in 1994. She rents her space at \$US1,550 a month, and sells avant-garde paintings

for an average of 10,000 RMB(\$ 1160) a canvas. She has just set up an art-consultancy and advises the German Oriental art collector, Jurgen Ludwig Fisher on Chinese contemporary painting (Robertson,Oct,1998,Nov,1999).

The Hanmo Gallery is housed in a porta-cabin structure next to the antique emporium called Curio City, an antique emporium and tourist destination and shows a full range of risk-averse artworks, including the work of Xia Junna, whose 'Songs of Youth' was on sale in 1998 for 60,000 RMB (\$7,500) (Int.95).

Alternative art market (for traditional type work) dealers

In Ritan Dongyi Street, in the heart of the diplomatic quarter, Li Xiaoke, the son of *guohua* master, Li Keran, opened Creation gallery in 1997. The gallery uses overseas agents to promote its artists assiduously in Asia, particularly in Singapore. Li Xiaoke has explained that:

“ Chinese traditional painting is like Chinese traditional food when this period of uncritical adoration for the West comes to an end there will be a true synthesis of the two cultures”. It is clear that a huge middle market for *Shui mo hua* is developing on the China Eastern sea board” (Int.103).

Next door to the Creation stands the Qin Gallery, owned by Xi'an born, Emily Zhang. Ms Zhang is less optimistic about the immediate art market future, but believes that her loyal clients over the six years she has been in business will see her through any downturn in market fortunes. The Qin and Creation galleries, rent their space from the Peoples Liberation Army, and this means that there is little scope for physical expansion, as well as the added insecurity of not enjoying sole ownership (Int.98).

Alternative art market (for oil and traditional type work) dealers

The Wan Fung Art Gallery comprises three enormous Forbidden City out buildings set within a gated courtyard, which were once home to the Ming and Ching Imperial archives. Kwok Ho-mun, the Managing Director, said that the aims of the Hong Kong cartel that is financing the operation is to promote Chinese art to Westerners. Risk-averse artworks sell in a building in one part of the complex for as much as \$ 2,500 and middle

range risk-averse traditional type artwork, which is displayed in a separate building, is marked at around 10,000 RMB (\$ 1160) (Int.97).

Has International competition been encouraged?

There are a handful of foreign run commercial dealers operating in Shanghai and Beijing which have overcome the problems of operating a foreign business in China. All but one of them has targeted the international art market.

Beijing

Brian Wallace of the Red Gate Gallery (est. July 1991), has 15 artists on his books, of whom print –maker, Su Xiping (illus.20) and oil painter Guan Wei, are the most successful. The Red Gate is situated in the China World Trade Centre complex, removed from the obstacles of trading on the street. It is free, according to Wallace, from the protection rackets and interference from local police. Wallace has suggested that one of the advantages that foreign owned galleries have over their Chinese rivals is their ability to appeal to foreign buyers. Wallace is confident that Beijing has the cultural ambience and, importantly, the diplomatic business and overseas Chinese community, to sustain his business. Red Gate deals heavily in prints, which are the gallery's staple commodity. Oil paintings and figurative ink works on paper are good sellers, as is 'Soft Sculpture' (*Objets trouvés*) which sold out at a recent exhibition in 1999. Shows of Western artists in the Red Gate seemed, in 1998, prohibitively difficult to organise. (Robertson, Jan,1998, Oct,1998,Int.132).

“ It would just be too complicated. First the Ministry of Culture would have to approve the work. We would have to hold it in a Chinese-owned institution, and they would act as the host. That gallery would then have to make an application through the Beijing City Council Art Department. They would then put it through the Ministry of Culture. It would then go before the Vice Minister and then come back down through the system step by step.” (Robertson, Jan 1998).

In August 1999 Wallace has managed what had seemed impossible a year and half earlier. He is about to open a second space, one that he formerly occupied, in the old Beijing watchtower. He has received the backing of the Bureau of Cultural Relics and

Chongwenmen District. The new space, which is large and impressive, will, Wallace expects, host high tech installations from overseas as part of an Asia Link programme that would send a foreign art student to China for up to a year. Red Gate, in common with the other Western run galleries, targets Chinese based Western corporations. Wallace recently approached Audi, which declined to buy, but agreed to sponsor the gallery's catalogues (Int.132).

The Courtyard Gallery/restaurant, is the other main foreign run enterprise in the city, and is owned by Handel Lee. Founded in 1991 it aims to bring fine art and dining to the Chinese. Set in a renovated Chinese courtyard house, facing the Forbidden City, it is managed by a ten-person board, of which Lee is the Chairman. (Robertson, Jan 1998).

The Courtyard Gallery is under new and professional management since the resignation of Karen Smith. Smith made a cardinal mistake in managing to mislay a work by the Chinese artist, Wang Jianwei, which was on loan from Hanart. The gallery represents about 15 artists, who are under exclusive contracts, including the Xingjiang artist, Aniwar, formerly with Red Gate (Robertson, Nov, 1999).

The New Amsterdam Consultancy run by Dutchman, Hans van Dijk, is the smallest and most offbeat of the foreign ventures in Beijing. Van Dijk operates out of his dilapidated 1994 apartment on the outskirts of Beijing. He works at the cutting edge of the avant-garde market and a great deal with photography, which he believes will gain in importance, because of the rapidly changing nature of the environment in China and the need to record the past. He deals in artists like An Hong and Wang Xingwei who are difficult to place commercially. Shoeni opened an artist's café, Ashanti, in Beijing's diplomatic quarter in 1998, named after the entrepreneur's vineyard in South Africa. The works that line the walls are exclusively oil paintings and Realistic style prints. Prices range from \$ 3,000 – \$ 40,000 for an oil painting and \$400 for a print. Gou fan, Shoeni's former Beijing representative, was resigned to the realities of the indigenous market:

“ Sometimes I think the Chinese will never be interested in art. They will spend, RMB 1 million (\$ 125,000) on an apartment, and then put a poster on the wall.”(Robertson, Jan, 1998).

Guo fan has since moved away from the art world and into real estate. Another former Shoeni employee is Lucy England, now working in Beijing in a representative office of the Tianjin City Museum, second-dealing works avant-garde artworks on the international art market (Int.132).

Shanghai

Shanghai's expatriate buyers are employed by some of the major foreign companies in Shanghai, such as BellSouth, Warburg and Henkel. Overseas collectors such as Jane De Bevoise of the Guggenheim and Richard Grant, formerly of Chatham House, as well as the Swiss Ambassador in Beijing regularly buy work from the longest established avant-garde gallery in Shanghai; ShanghART (Robertson, Int.129,69).

The J Gallery, set on the corner of fashionable Chang Le Road in the city centre, with a branch in the Portman hotel complex, is a well financed Japanese venture, with its base in Tokyo's Ginza area. It was established in August 1997, and sells work at the top end of the price range, dealing in artists like Ding Xiaoguan, whose auction house price is as high as 800,000 RMB (\$100,000). The gallery also sells the work of the ubiquitous, risk-averse realistic oil painter, Chang Qing. J sells almost exclusively to Taiwanese, Hong Kongers, and the occasional Western buyer. It concentrates on the alternative art market and, particularly *Gongbi* paintings by artists like Fuzhou born, but Japanese educated and now resident, Zeng Hong. The J is a hard sell secretive gallery, which encourages the customer to leave deposits implying that the work in question is in demand from another buyer. The gallery offered to sell me Zeng Hong's 'The Triste Flute' (for 70% of the quoted 12,000 RMB (\$1,500 price) if payment was made in US dollars cash in July 1999. Such conduct is not common practice amongst the Western run galleries, although a 10% reduction on the quoted RMB price would be forthcoming if payment was made in US dollars cash. (Robertson, Jan,1998).

What are the laws facilitating the development of an art market?

There are legal reasons why there are more foreign commercial galleries based in China than in Taiwan. These are also legal reasons why foreign dealers still prefer Hong Kong

to Shanghai or Beijing, as a place from which to conduct business, and business reasons why no foreign gallery chooses to adopt Taipei as its base.

Chinese (and Taiwanese) business ventures require constant and regular contact to be maintained through visits and other forms of communication. Chinese dealers (and Taiwanese) place a great emphasis on trust and personal relations. A contract is regarded not as a legally binding statement of business but a statement of intent, with the content and conditions left open for future negotiation. There is no insurance for artworks in either territory, which is a problem for overseas loan exhibitions to private institutions. Joint Ventures, on the other hand, which are the most common form of foreign company involvement in China, are not statutorily defined in ROC (Republic of China) law (DTI, 1994, Baker & McKenzie, Oct 1997).

If social mores are observed, such as saving and giving face, the provision of gifts and the enthusiastic acceptance of a host's hospitality, the results can, according to the DTI, be fruitful. (DTI, 1998).

“ All in all, therefore, many UK visitors have found that there is much more that unites Chinese and British people than divides them. For those prepared to make the effort, the rewards, both in business and in human terms, can be very great.” (DTI, 1998, p.28)

Joint Ventures

The Equity Joint Venture

The Joint Venture is a large-scale business partnership, which is unlikely to suit foreign owned art galleries, however; galleries can benefit from being shielded by the foreign partner of an Equity Joint Venture. Club 97 in Shanghai is an Equity Joint Venture, and ShanhART gallery is officially considered a part of this night-club. In reality it is a separate entity. The Joint Venture is established on the basis of a joint venture between Chinese and foreign parties after approval by the Ministry of Foreign Trade and Economic Co-operation (MOFTEC) (Baker & Mackenzie, 1997). The Chinese party must seek preliminary approval from MOFTEC, and afterwards both parties prepare a joint feasibility study. The authorities have three months after the Joint Venture contract in

which to approve the Joint Venture, after which the Joint Venture must register within a month with the local Bureau of the State Administration for Industry and Commerce (SAIC). The Joint Venture will then be issued with a formal business licence and be officially established (Baker Mackenzie, 1997). Baker & Mackenzie explain other requirements of companies before they can enter into a Joint Venture.

“ The capital of the J.Vs must meet certain debt to equity ratios. For example, if the total investment is less than US\$3 million, at least 70% of the total investment must be registered capital.” (Baker and MacKenzie 1997, p.4)⁶

Joint Ventures are usually limited to a fixed term between 15-50 years depending on the size and nature of the project. There is also provision for the foreign partner of a Joint Venture umbrella, when the partnership is dissolved. This is also of consequence to a commercial gallery, which comes under another company's Joint Venture umbrella.

The RMB is not a convertible currency, and therefore the foreign investor must assure adequate foreign exchange revenues as explained in Article 10 (see figure 14) ⁷.

(fig 14) Article 10. The net profit received by a foreign party after fulfilment of its obligations at law and under the provisions of agreements and contracts, the funds received by it upon the expiration or termination of an equity joint venture as well as other funds may be remitted abroad in accordance with foreign exchange control regulations in the currency stipulated in the Joint Venture contract.

Co-operative Joint Venture

Promulgated in 1988, the Co-operative Joint Venture takes on two forms:

⁶ Registered capital refers to the total amount of paid in capital contributions by the parties to the JV.

⁷ In most sectors Joint Ventures are required to earn sufficient foreign currency of their own, through exports, to cover their foreign currency expenditures. Regulatory reforms, which came into force on July 1 1996, introduced a form of current account convertibility. Joint Ventures may now purchase foreign exchange for current account expenditures without State Administration of Foreign Exchange) approval. Reforms also allow conversion of RMB into foreign exchange for remittances of after tax profits or dividends to foreign investors in Equity Joint Ventures. Reforms also gave access to Joint Ventures to the inter-bank market for the purchase and sale of foreign exchange through designated banks. (Baker and McKenzie,1997)

“A pure CJV in which no legal entity separate from the contracting parties is established and the parties make their contributions to the project and bear the risk of the profit and loss directly and a hybrid CJV, in which a separate business entity is established and registered and the parties liabilities are generally limited to their capital contributions to the entity”. (Baker & Mackenzie, 1997, p.9)

The Co-operative Joint Venture is subject to the same foreign exchange rules as the Equity Joint Venture but a substantial advantage of the former is that the parties can agree “on the distribution of profits at a ratio different from that of the parties’ capital distribution.” (Baker and Mackenzie.16 p.13,1997), explained in articles 73 and 74 (see fig. 15).

(fig 15) Article 73. All foreign exchange matters of Joint Ventures are to be handled in accordance with the stipulations of the Provisional Foreign Exchange Regulations of the People’s Republic of China and relevant control measures
Article 74 Joint Ventures are, on the strength of the business license issued by the State Administration for industry and Commerce of the PRC, to open foreign exchange deposit accounts and RMB deposit accounts with the Bank of China, or other designated banks, with the bank where the account is opened to supervise receipts and disbursements.
All foreign exchange income of a Joint Venture must be deposited in the foreign exchange deposit account in the bank where an account has been opened; all foreign exchange disbursements are to be made from the foreign exchange deposit account. The interest rates on deposits are to be implemented in accordance with the interest rates announced by the Bank of China.

The existence of foreign exchange deposit accounts has assisted all the foreign owned art galleries in China with the day to day running of their businesses, allowing them to trade internationally without the penalty of currency conversion costs to an international currency.

Despite these enabling laws, Gilbert Lloyd has said he still has serious reservations:

“ Marlborough galleries have enormous stamina and we are ready to open a gallery in Shanghai when the time is right, but I don’t think the time is right quite yet. There are all sorts of questions, which have to be addressed, such as the question of import duties for works of art, which are extremely high. There are many grey legal areas, and we have to wait until the regulations are clear.” (Robertson, Jan, 1998).

Gilbert Lloyd, who intended to attend the Shanghai Fair on a regularly, embellished his reasons for feeling reluctant to commit himself to a Shanghai:

“ The current financial instability in Asia, the problem of setting up an initially small joint venture in the PRC, and unclear customs regulations on the import and export of works of art and currency restrictions. We don't actually like to work in joint ventures, we like to work on our own.” (Robertson., May 1998).

There are clouds on the Joint Venture horizon, because in July and August 1999, a number of companies, especially from Hong Kong, have pulled out of Joint ventures (Nakamoto & Harding June,1999), a tendency which signals possible complications for those foreign galleries, like ShanghART, operating out of Hong Kong Joint venture projects.

Taxes

Joint Ventures are subject to 30% national income tax and 3% local tax. Tax holidays are available to export orientated enterprises like foreign owned galleries which sell on the international art market, and even more preferential benefits in state development zones and for special industries (Int.132).

There are other taxes such as VAT, business tax, consumption tax, real estate tax, value added tax, customs duties, stamp tax, vehicle and vessel tax, all depending on the nature of the Joint Ventures activities (Baker & McKenzie, Oct 1997).

Representative Offices

These are permitted only to make business contacts and render services on behalf of the head office (Baker & MacKenzie, Oct 1997). The Red Gate Gallery in Beijing is the Representative office of a Hong Kong registered company, although it does not have a physical space in Hong Kong. As a foreign company it must first request a Chinese entity to serve as a sponsor, then submit application materials to the local authority for approval (Int.132).

Taxation

The Representative office is subject to both income and business tax on the basis that its activities either generate revenue, or, through attribution, may be considered to generate revenue for the foreign company (Baker & McKenzie, 1997)⁸

Taxation specific to art

There is a 5% sales tax, which is usually built into the artwork price, and a business, local and national tax of, approximately, another 5%. A recent development is a Customs requirement for a photograph to accompany the packaged item⁹, although Customs is, of course, allowed to open any item for export.

With the arrival of art sales on the internet, the buyer who purchases a work of art outside China can remit to the seller in an international currency and into an account outside China. The government has never audited the foreign galleries books to discover that inventories do not always match income from sales, so the unrecorded payment, in terms of Chinese bank credit, is undetected. The truth is that most of China's contemporary artwork slips out as hand luggage in the form of rolled up canvases. In Guangdong, Taiwanese buyers, in particular, exchange non-convertible RMB for paintings, which they take back to Taiwan and sell on the Taipei market for US dollars(Int.132).

Tax incentives

Mike Bruhn, formerly of Christie's, Shanghai, pointed out that there were no tax incentives which might encourage collecting in China, and no specialised art insurance companies. He also stated that it was unclear whether art was regarded as a fixed or moveable asset in China (Robertson, Oct 1996).

Wholesaling and Retailing

⁸ In certain circumstances, exemption from these taxes may be granted.

⁹ Mainland China forbids the export of works of art pre 1795, and many other antiques are also subject to export restrictions.

This is a recently expanded sector, with foreign investment in the rental sector first permitted in 1992. The cities of Beijing, Shanghai, Tianjin, Guangzhou, Dalian, Qingdao and the five Special Economic Zones (Shenzhen, Shantou, Zhuhai, Xiamen and Hainan)¹⁰ are all permitted to use foreign capital in this sector. The form of foreign investment must be a Co-operative or Equity Joint Venture. (Baker & Mckenzie,1997). The burgeoning of department stores in Shanghai since 1992 appears to have provided ideal environments for art galleries, but curiously there have been few takers.

Intellectual Property protection

Great progress has been made in this area since 1979. The first copyright law was effective in June 1991, extending protection to utilitarian articles that have ornamental features such as jewellery, watches, toys and furniture, but foreign investors, according to Baker and Mckenzie (1999), have perceived the efforts to implement this legislation inadequate.

Closing remarks on the legal situation in China

Since economic transition in the late 1970s, opportunities for doing business in China have increased considerably and it seems likely that this trend will continue. But, with opportunity comes risk, and despite the progress made over the last 18 years much remains to be done before China's legal environment approximates that of many developed and some developing countries as Baker & McKenzie explain:

“ Accordingly, while foreign companies will find many opportunities in what is arguably the world's largest market, they will want to pay particular attention to protecting their interests to the greatest degree possible through careful planning based on a full appreciation and understanding of the rapidly changing legal environment for doing business in China.” (Baker and Mackenzie, 1997, p.34).

Does contemporary art receive the support of the public sector?

¹⁰ The primary benefit of the SEZ is the low income tax rate of 15%. Other designated areas now include the Open Coastal Cities, the Open Coastal Economic Areas, the Economic and Technological Development Zones, the High and New Technological Development Zones and the Bonded Zones. Some local authorities permit foreign investment in business areas generally off limits to foreign companies.

Johnson Chang has bemoaned the fact that the Public security Bureau in China is making it practically impossible for public or private avant-garde shows to be held in that country (Int.153).

At the end of 1997 there were signs that the Chinese State bureaucracy which, since economic liberalisation had been a hindrance from the late Seventies, was at last beginning to step aside so far as the visual arts was concerned. In October 1998 the Ministry of Culture confirmed that:

“ More and more money for art is coming from society and we are encouraging funding from private sources.” (Int.80).

A good example of the new financial imperative was the Ministry of Culture’s 5% levy on sales from the Beijing Art Exposition. Chang’s views were endorsed by Brian Wallace of the Red Gate Gallery :

“ The government is gradually letting the market determine its own level, even if it is dipping its hands into the market through auctions and art fairs. It tries, half heatedly, to determine which works go into auction. In general though, they are leaving pricing to the auction houses. The government is only really scared of the market for antiques; it really wants to control that.”(Robertson ,Jan, 1998).

Xue Ya (the Shanghai based Executive Director of Orient X), one of the new style commercial culture agency operators, spoke of the Ministry of Culture’s desire to collaborate on prestigious cultural projects with organisations like the China National Culture and Art Corporation, the Organisers of the Beijing Exposition. She emphasised the importance to Chinese culture of agents with international networks, capable of introducing avant-garde contemporary Chinese artwork overseas.

The Dutch, Beijing-based dealer, Hans van Dijk, explained:

“ Officially the government denies that there is anti –establishment contemporary art in China. The authorities maintain that those artists who are neither Fold painters¹¹ nor members of the official Artists

¹¹ Fold painters in terms of contemporary Chinese art are officially sanctioned state sponsored artist that don’t have an equivalent in the West, where the international avant-garde is the institutional art form. In China there is a legacy of State art sanctioned by the not-for-profit museum and gallery sector

Association do not exist. The main problem is the absence of an independent judiciary” (Robertson ,Jan 1998).

Performance artists such as An Hong and Zhao Xiaoruo (now living in political exile in Finland), who are overtly political, are at best ignored by officialdom and at worst prevented from showing their work in China. Brian Wallace confirms these views and adds:

“If the political climate suddenly changes, as it might, and the authorities want to get rid of all that foreign influence, and if we are included in all that, they could quite easily say get out and we would have no choice but to leave.” (Robertson., Jan 1998)

At present (September 1999), the mainland Chinese government continues to refuse official endorsement of any ‘installation’ or ‘multi media’ type show for fear of hidden political dissent (Int.81). The exhibition ‘Art for Sale’ in a Shanghai Department store in April 1999, was intended to run for two weeks, but was in fact closed by the authorities after three days, for reasons that were not fully explained. Unofficial shows crop up everywhere, especially in the capital where it is politically most sensitive, so there is a sense that the government is less worried about art than outsiders like to believe. The Shanghai Biennale in 2000 will be the acid test, because the organisers intend to invite international artists who will show controversial ‘installations’. It should be added that there are no hard and fast rules about what type of artworks can or cannot be bought and sold (Int.81, Int.153).

The Ministry of Culture could, as is the case in the West, assist indigenous artists by ensuring that artwork put forward for sale by dealers is exhibited in a public forum. (Robertson, March 1991). The Ministry of Culture in China does not play this supportive role, but, instead, actually prevents commercial galleries from showing avant-garde artworks that the international art market would sell. This limits the range of work that can be shown in Chinese commercial galleries. Foreign run galleries in China are equally vulnerable in this respect, and they face the added pressure of closure because of a sudden clamp down on foreign activities in general. (Int.81,Int.100).

What is the level of development of the cultural infrastructure and urban environment?

China's major cities have been transformed in the 1990s. Chongqing, once the headquarters of the beleaguered KMT (Schurmann & Schell, 1967), is a smog-filled, coal-grimed, sprawling conurbation set in a natural depression. Brash new chrome-coated corporate towers dominate the city centre. Guangzhou, apart from its quaintly preserved old Tong quarter, is another faceless Chinese mega-opolis. The city does, however, possess a remarkably elegant contemporary art museum, which represents the work of its commercially successful avant-garde Academy artists. Beijing and Shanghai offer a great deal more in terms of visual appeal. In addition to the many historic sites in both cities, Beijing has a reasonable infrastructure and broad avenues, and Shanghai, a cosmopolitan and faded splendour, which endears it to foreigners. With its strong Western associations, Shanghai is more able than Beijing, and certainly more so than the other great Chinese cities, to gear itself up to the needs of the Western visitor.

Shanghai's historic sites of interest, such as the exquisite Yu Garden, the ramshackle Chinese quarter, Long Hua Temple, City temple, the tree lined avenues of the former French Concession, surrounding Huahai Lu and the Bund (*Waitan*), crowned by one of Asia's tallest buildings, the Oriental Pearl TV Tower, have become great tourist attractions. Shanghai is well served with parks in which open-air ceramic shows regularly feature. The city has one splendid museum, the Shanghai Museum, with its collection of ancient artefacts, particularly bronzes and furniture, and excellent contextual displays of Ming and Ching dynasty furniture. The Museum is a showcase for Chinese culture and each of its rooms carries the name of an overseas Chinese sponsor. The Museum also showcases contemporary artworks, such as the exhibition in January 1999 of Zao Wou-ki.

The original contemporary art museum, a relic of the 1950s, on Nanjing Dong Road, has just moved to the Old British Racehorse Club tower, which was built in the 1920s. This elegant building was last used as a library and retains its bronze horse head motif banisters and stone floor impressed with seashells. The museum has been greatly enlarged for its new function, bringing contemporary artwork into the heart of the city. It will be interesting to see whether the authorities apply the censor to controversial exhibits. Shanghai is also home to the privately run Liu Haisu Museum, a glass pyramid near Gubei. It opened in 1998 at a cost of 30 million RMB (\$ 4.4 million) and is devoted to

showing the work of the deceased artist, whose name the museum bears. The museum puts on exhibitions of avant-garde art, such as the March 1996 event, 'In the name of art', sponsored by local businesses. Among the artists represented in that show was Zhou Tiehai, whose work, 'Airport Announcement', used a sound backdrop which announced flight departure times, lampooning the desire of Chinese artists to get rich quick overseas (Robertson, Oct 1996).

Beijing has equally impressive historic cultural remains, most notably in the Forbidden City complex and Summer Palace, and the remains of domestic courtyard architecture. It has, however, a poor contemporary art museum filled with a collection of painted eulogies celebrating the Peoples Revolution. Beijing's traditional architecture has suffered much more from Soviet inspired monumentalism than Shanghai's, which, despite its reputation as a hard-line Communist bastion, emerged, architecturally, largely unscathed from Mao's era.

Today, Beijing, Shanghai, Taipei and of course Hong Kong have fallen victim to wholesale redevelopment, as great fly-overs and ring roads dissect and encircle its residents. Ambitious and speculative office buildings and department stores (particularly in Shanghai) congest the urban landscape and make orientation for the occasional visitor a complex affair. Tourist figures for China, and specific figures for Shanghai, demonstrate that China is attractive enough for 24 million tourists to visit in 1998, making the country the sixth most popular tourist destination in the world. Shanghai attracted 1.53 million tourists in the same year (World Travel & Tourism Council, 1999) (see fig.16). Capital spending on Travel and Tourism is expected to grow 9.8% from 1999 –2010. Visitor exports are expected to rise 8.6% over the same period and goods and services produced for visitors and other activities strongly dependent on Travel and Tourism, such as the junk art market, is expected to rise 3.3% over the same period (World Travel and Tourism Council, 1999).

(Fig 16) Visitors to
Shanghai in 1998. Source:
Shanghai Travel
Issue,(Feb,1999)

Foreigners – 1.18 million

Japanese – 508,921

Overseas Chinese – 507,000

HK/Macao – 167,600

Taiwanese – 133,300

United States – 130,465

Germany – 56,845

Korea – 53,835

Singapore – 47,445

Malaysia – 42,973

France – 40,003

UK – 37,439

What is the level of contemporary cultural education?

Commercial initiatives to educate the small minority of potential collectors in China are in the very early stages of development. The Guardian Arts Club, the educational arm of the Guardian Auction House, publishes an art market bulletin, runs a gallery and provides a forum for lectures by specialists who base many of their talks on a current exhibition in the Shanghai art museum. The club had just over 200 members in 1997, each paying an annual subscription of \$200. Hu Zhixiang (the Club's Chairman) believed that there was a new generation of wealthy entrepreneurs in China, slowly acquiring knowledge about collecting (Int.68).

The new commercial galleries have a vested interest in educating the new rich in China. The Chinese run galleries, in particular, spend a great deal of effort promoting their exhibitions in the Chinese press and introducing a new generation of potential collectors to art. Karen Smith, the former Manager of the Courtyard Gallery, was one Western gallery representative who felt that she was introducing a new and fresh concept of Chinese art to the Chinese - "properly curated, thoughtful and attractive art" (Robertson, Jan 1998). The Courtyard, she explained, aimed to make people sit (and eat in the restaurant) for extended periods and look at art, rather than just encouraging them to scan images.

New lifestyle magazines have appeared in China in the 1990s, which is stimulating demand for middle range works of art. In Beijing; *Gentleman Monthly* and *Dining Room* are encouraging a new generation of consumer to spend on consumer luxuries. In the

avant-garde, international art market arena, bilingual internet sites and art magazines from Taiwan¹², containing information and images of the latest in Chinese avant-garde artworks, are reaching out to a wider, younger and newly affluent buyer.¹³

Closing remarks on the art market in China

The art markets of Beijing and Shanghai, are, primarily, supplied with artworks from art academies all over China, and the levels of material success enjoyed by these artists varies considerably. Senior artists rent studios, or use their homes as studios. Chengdu based, Zhang Xiaogang lives in a substantial apartment. Yu Youhan has an independent studio in a Jewish former industrialist's house in Shanghai, and Li Shan uses an entire apartment as his workshop, employing a full-time assistant. Younger artists either work out of their academies, or, like Zhang Xiaotong, from their sparse living quarters.

The Academies tend to specialise in a type of artwork or particular mode of expression. Hangzhou's Academy specialises in risk-neutral traditional type artworks traded in the avant-garde art market, such as abstracts, calligraphy and etchings. Guangzhou caters for the alternative art market oils in general, although risk-averse traditional type calligraphers and traditionalists are also represented. The Shanghai Academy prides itself on avant-garde abstraction and bright, vibrant poster-like images, while Beijing is renowned for its Academic Realism and rigorous technique, employed equally by the alternative and avant-garde art markets. Sichuan Academy concentrates on brightly coloured, introspective risk-neutral oil painting.

All these institutions, and the smaller Academies throughout China, provide the markets in Beijing and Shanghai with stock, but, more significantly, the dealers of Hong Kong,

¹² Chinese Type Contemporary Art – Online magazine – <http://www.chinese-art.com> – A vast selection of Western dealers in Chinese contemporary art, inventories combined with art speak articles, modelled on those of their Western counterparts.

Art China and Cans Art magazines – printed and published in Taiwan – <http://artscenechina.com>, is an internet based art gallery featuring over 200 contemporary paintings and works of art from 17 different Chinese artists.

¹³ A number of new and challenging art events have also stimulated interest in the avant-garde. 'Art for Sale' – April 1999, in a Shanghai Department Store comprised installations and off-the-peg works of art, and followed on from other aesthetically stimulating exhibitions, such as 'In the Name of Art', 1996 in Shanghai, the first installation art exhibition in China. It was in the same year that the country's first video art exhibition took place in Hangzhou.(Zhu,421).

Taipei and overseas. The foreign owned galleries in Beijing are catering (80-20 %) (Int.60) to the requirements of foreigners, a reason for their location in diplomatic, foreign and tourist areas, the other reason being the complication of setting up a business address in China. The Chinese run galleries are beginning to figure in the international art market, and retaining the greatest share of their inventory in risk-averse stock in the form of oils and traditional type work, in order to attract overseas Chinese, Taiwanese and Hong Kong buyers. The market has fragmented, and the prices for the risk-averse artwork, in particular, is substantially higher than that for the risk-neutral work.(see Appendix 2, auction house figures for contemporary Chinese artworks). It is also significant that those Chinese run galleries that are involved in the international art market, are undercutting the Western run galleries in China, which in turn are undercutting Hong Kong and London dealers. This development is a factor that is in danger of undermining collector confidence in the ability of the commodity to attain a stable international value. As Wallace explained in August 1999 (Int.132), he found it hard to communicate with the overseas Chinese buyer, not in terms of language, but in terms of the culture of business, which involves the etiquette discussed in the legal section of this chapter.

Shanghai now has the greater spread of galleries selling the widest selection of work, and the new contemporary art museum should ensure that the city's cultural infrastructure is the best for the visual arts in China. Beijing is hampered by the lack of just such a venue, although initiatives such as Wallace's new Watchtower Gallery and the work of the CIFA Gallery will help the capital keep up with its great cultural rival (Robertson, Nov,1999).

Despite the great historic and cultural attractions of Beijing, Shanghai remains the more attractive city with a greater sense of its architectural history. It also has a favourable geographical location, closer to Hong Kong and the Pacific, factors which make it marginally preferable to the capital as an art market centre.

Both Shanghai and Beijing barely fulfil the minimum requirements necessary to sustain an art market. Both the main contemporary art markets are controlled externally, and the increase in tourism is likely only to affect the junk art market substantially. Both cities face the added insecurity of having to respond to more powerful external forces from Taiwan and the international art market.

The art market for contemporary art in Taiwan

Taiwan's business mantra for the 1990s has been that local success leads to international success, but despite efforts by the government, the Taiwan art market remains stubbornly regional and parochial with no foreign gallery representation.

Taiwan's local art market is extremely active, dealing almost exclusively in the works of Taiwanese artists but also in the work of artists from the mainland in the alternative art market. Attempts have been made to introduce competition through the art fairs, and public museum exhibitions, which have led to a smattering of foreign contemporary artists being represented by Taiwan galleries. At the height of the market boom in 1990 there were an estimated 200 galleries in Taipei alone, but most of them were opportunist ventures which closed with the market's collapse in 1992. Two casualties of that downturn were first rate primary dealers: The Taiwan Gallery and Apollo Gallery. The problem with these galleries lay, according to Wellington Lee, Director of Galerie Elegance, in the fact that they did not have a blue-chip stock to fall back on when the Taiwanese contemporary market contracted (Int.53). The Taiwan Gallery, formerly owned by Nature Hsieh, who has since moved to manage the Mountain art group in Kaohsiung, dealt in up and coming Taiwanese artists like Wang Wuse. It did not, unfortunately, have the foresight or capital to buy into the work of contemporary Chinese masters in order to sustain itself during the downturn. The significance of being able to operate in both markets, primary and secondary, and to be flexible is an important characteristic amongst the established dealers in Taiwan.

Have international prices been achieved?

Taiwan's dealers do, however, achieve international prices for Taiwanese artists and major contemporary Chinese artists, such as Zao Wou-ki (see Appendix 2 – auction house prices for Zao Wou-ki – Taipei, Christie's, April, 1998 - \$314,632). It is the presence of the two international auction houses, Sotheby's and Christie's, with their sales of 20th century and contemporary Chinese painting in Taipei which really mean that Taipei, not Hong Kong, London or New York, sets the international price standard for this sector of the market. The two international houses concentrate on risk-averse artworks, although

there are always a few select risk-neutral artworks in the sales, slotted in towards the end of the auction.

Sotheby's auction on 17th October 1993 was 91.9% sold and dealer Lin and Keng bought Zhu Yuanzhi's risk neutral -'Temptation' for N.T\$ 2.2 million (\$ 82,000) against an estimate of NT\$ 2 million, (US\$ 75,000) (see Appendix 2). The avant-garde artist; Huang Ming-chang, was a notable success, with his 'Afternoon gleaming', making NT 2 million, (\$75,000), almost twice its estimate, although it was rumoured after the sale that the work had been bought back by its owner at an inflated price. The main buyer at the auction, on this occasion, was Cahyadi Kumala, an Indonesian. Hong Kong dealer, Robert Chang, was the major buyer in April 1994, although he was buying on behalf of Taiwanese clients – demonstrating that although Taiwan is a local art market, regional dealers like Chang do participate. Most of the artworks sourced at the sale came from Taiwan, but a number came from France and Switzerland. Huang Ming-chang again did well, selling a photo realist landscape for NT\$ 1,920,000, (\$ 73,000) against a top estimate of NT\$ 1,500,000 (\$57,692) to a Taiwanese, but it was Robert Chang who bought the bulk of the works on behalf of Taiwanese clients in Taiwan.¹⁴

The sculptor Ju Ming has achieved price consistency in the Greater China region and a level of value which is on a par with his Western international art market contemporaries as is demonstrated by figs. 17 and 18:

(fig 17) Hanart HK price development of Ju Ming				
Year	Size	HKS	US\$	Material
1990	62x46cm	75,000	9,740	Bronze
1995	37x38x20cm	118,000	15,324	Bronze
1995	91x63x59cm	247,500	32,142	Bronze
1998	71x87x53cm	271,000	35,194	Bronze
1995	52x88x46cm	398,000	51,688	Wood
1998	33x26x25cm	142,800	18,545	Wood
1998	35x37x20cm	162,000	21,038	Wood

¹⁴ Although the art market makes an historic distinction between sectors, dealers in the contemporary market will often spread their risk by holding a mixed portfolio, which will include tried and tested commodities such as Moderns or even Old Masters, which serve as collateral.

(fig 18) Caves, Taipei prices for Ju Ming In 1999			
Size cms	NT\$	US\$	Material
36x43x56	450,000	14,195	Bronze
105x30x47	1,380,000	43,533	Wood
97x106x68	2,640,000	83,280	Bronze
40x33x33	380,000	11,987	Bronze

The predilection of Taiwanese buyers for risk-averse Taiwanese artworks (they have taken a view) has repressed the prices of risk neutral artworks from China. Taiwan’s regional art market status is dictating the value of most contemporary Chinese artworks, and the small percentage of risk-neutral artworks from China, which filter onto the international art market, have little regional value. Taiwanese risk-neutral artworks, on the other hand, have a regional and international value, which has substantially increased in the 1990s as demonstrated in figure 19:

(Fig 19) Price development of Cheng Tsaitung and Yu Peng (Hanart TZ HK)					
Year	Size of pic	HK\$	US\$	HK\$persqcm	Variation
1995	31x59cm	15,000	1,948	8.2	
1995	60x16cm	13,000	1,688	13.13	160%
1998	19x24cm	7,500	974	16.45	125%
1998	21x31cm	10,000	1,298	15.36	93%
Yu Peng					
Year	Size	HK\$	US\$	HK\$persqcm	Variation
1991	133x64cm	3,000	389	0.35	
1995	26x233cm	28,060	3,644	4.63	1314%
1998	100x27cm	15,000	1,948	5.56	120%
1998	33x135cm	33,000	4,285	7.41	133%

What is the indigenous art market’s level of development?

Taipei is home to the largest concentration of art galleries in Greater China, and the largest galleries are amongst the most successful in the region, specialising in the work of avant-garde regional stars like Yu Peng and Cheng Tsaitung. There are also experimental spaces which provide, in addition to the public sector museums, venues for cutting edge avant-garde artwork, and a great body of local art market galleries which cater for the needs of Taiwan’s wealthy middle class. Taiwan galleries tend to hold mixed, alternative/avant-garde market inventories but there are a few that operate exclusively in the avant-garde market. Fig. 20 lists a representative sample of art galleries for

contemporary art in Taipei (unless stated). It describes the market in which they operate, as well as describing the type of market the artworks are directed towards (See also the Gallery Survey Appendix for a detailed analysis of the performance of Taiwan galleries in the context of Greater China art galleries).

(Fig.20) Major contemporary art galleries in Taiwan, (Taipei based unless stated) (work by Taiwan artists unless stated)

Name of gallery	art market	nature of wrk
Asia Art Center	LAM	AG
Capital Art Corp	LAM	AAM
Carmine Int’l Art Cen	LAM	AAM (PRC)
Carmen Art Intl	LAM	AG
Caves Art Cent	RAM	AG
Chan Liu Art Gallery	Modern Chinese masters	
Chang Jiang Art Cent	LAM	AG
Charming Art Center	LAM(Taoyan)	AAM
Cherng Ping Gallery	IAM	AG
Chez Antoine	LAM	AG
		AAM
Chi Chang yuan	LAM(Taoyaun)	AG(Japan)
Chuan Cheng Art Center	RAM	AAM(Nihonga)
		AAM
DeYuan	LAM	AAM
Der Hung Art Gallery	LAM(Tainan)	AAM
Dimensions Art Center	IAM	AG
Dynasty Art Group	LAM	AAM(PRC)
East Gallery	LAM	AAM(PRC)
Elegance	LAM	AAM/AG
Ellen Art Develop Co	LAM	AAM(PRC)
Esquire Gallery	LAM	AAM
Ever Harvest Art Gallery	LAM	AAM
Expol sources FA Gal	LAM	AAM(PRC)
Front	LAM	AG
Fairmate Art Gallery	LAM	AG
Gate Gallery	LAM	AG/Moderns
Genius Art Center	LAM	AAM
Gloria Art Center	LAM	AAM
Han Mo Xuan	IAM	AAM
Hanart	IAM	AG(HK,PRC, Taiwan)

Home Gallery	LAM	AG
Howard	LAM	AAM
Hsin Mo se Art Consult	LAM	AG
Imavision	RAM	AAM(PRC)
Impressions Art gallery	LAM	AG
IT Park	LAM	AG
Jeff Hsu's Oriental Art	LAM	AG
Jih Cheng Gallery	LAM	AG
Julia Gallery	RAM	AAM(PRC)
Leisure Art Center	LAM	AG
Lin & Keng	RAM	AG/Moderns
Lung men	IAM	AG
Lucia Gallery	IAM	AG
Kalos Gallery	IAM	AG
Kuai Hsueh tang	LAM	AG
Lakes Gallery	LAM	AAM
Masterpiece	LAM	AG
Metaphysical Art Gal	LAM	AAM(PRC)
May Gallery	RAM	AG
Modern Art Gallery (Taichung)	LAM	AG/Moderns
New World gallery	LAM	AAM
New Phase Art Space	LAM (Tainan)	AG
Northern Gallery	LAM	AAM (PRC)
Original Art Gal	LAM	AAM
Galerie Pierre	LAM (Taichung)	AG
G Zen 50	LAM(Kaohsiung)	AG
Royal Palace Gallery	LAM	AAM(PRC)
Shang Chen shing	LAM	AAM
Snow Falcon	LAM	AAM
Soka Art Collec Int	LAM(Tainan)	AAM
Tai Te Art Gallery	LAM	AAM
T.S Art Gallery	LAM	AAM
Gallery Venus	LAM(Hualien)	AG
Vivid Art Corp	LAM	AAM
Wang's gallery	LAM	AAM
Wen Fa Art Co Ltd	LAM	AG

Key: LAM = local art market, RAM=regional art market, IAM=international art market.
AAM= alternative art market, AG=avant-garde artwork.

Avant-garde art market dealers

In addition to the hundreds of commercial galleries in Taiwan, there are a number of experimental spaces which survive, not on the profits accrued from the sale of art, but on the income generated from the bar or restaurant. Spaces such as Taipei's IT Park (which is also a photographic studio), Space II and the newly opened Front are dual purpose businesses which show the most 'challenging' of the avant-garde work, normally installations (Robertson, Sept, 1994).

There are eleven A1 and A class galleries in my survey of Greater Chinese galleries (see Appendix 1 -gallery survey) out of a total of twenty. With the exception of Han Mo Xuan, Modern and Gate, all these galleries promote themselves overseas effectively (see – Appendix 1 – gallery survey, promo-4-5). Seven out of these eleven galleries operate in the avant-garde art market (see Appendix 1-gallery survey).

Hanart Taipei, no longer located in its temple-like structure on the edge of the city but now in a central Jen ai Road location, is one of the highest profile avant-garde commercial galleries in Taiwan, although its local profile is less well established. As Johnson Chang confided (Int.153) it took a long time for him, as a non-Taiwanese dealer, to be accepted by Taiwanese collectors. His artist, Ju Ming, on the other hand, has ensured that the gallery has survived. Hanart Taipei promotes, primarily, the work of Taiwan avant-garde artists, since Taiwanese collectors have little interest in the work of the Chinese avant-garde practitioners.

Lung Men is another first rate space, a Western style white cube which deals in the work of the best Taiwan artists and a few contemporary American artists. Lili Lee Friedlich, the owner, has strong links in America, and is an advocate of the work of Huang Ming-chiang, whose work has proved so successful at auction in Taiwan. Caves and Lin & Keng are two Taipei galleries that deal with the leading Taiwan contemporary artists. In addition to Ju Ming, Caves sells the works of artists like Hong Chungyi for between NT\$240,000 – 480,000. (\$ 9,200 – 18,500). Galerie Pierre and the Modern Galleries, both in Taichung, are two provincial operations that sell avant-garde artwork at significant prices. Pierre prices J.C Kuo at around \$NT100,000 (\$3,800) and the Modern, has ink and paper works by Liu Guosung for around NT\$600,000 (\$23,000) a piece. All these

galleries present the work of their artists in a professional and sensitive manner. Hanart, Dimensions, Lung men and Pierre, in addition to the cutting edge spaces, are the main suppliers of risk-neutral artwork to Taiwan's not-for-profit sector museums. These are the works that will represent Taiwan's contemporary culture overseas. A range of lesser aspirant galleries (listed as B1,B,C1 and C in the Appendix – gallery survey) reserve a proportion of their inventory for international art market works.

Alternative art market dealers

The Apollo Building is home to many of Taipei's galleries, Alexander Hwang of the Concord Auction House explained in 1993 (Robertson,Dec1993), that the forty or so galleries in the complex dealt in a range of works by Taiwanese and Chinese artists. He stated, although this was never confirmed, that he had the rights to deal in the work of Wu Guanzhong in Taiwan. Interestingly, Huang confirmed that in the case of Taiwan artists the dealer takes a 50% commission, but with mainland artists the work was bought outright. Huang, in common with a number of dealers in Taiwan, has an inventory of Western Moderns, mainly lithographs.¹⁵

A great deal of the art sold by Taiwan dealers was risk-averse artwork and a large percentage of this work originated in China. The Northern Gallery concentrated on the super realistic works of mainlanders, and the Chang Jiang Art Centre on the work of the Chinese ethnic Minorities. Imavision sold 'History Painting' of Guangzhou artist, Huang Zhongyang, of which a typical work, 'Psyche', was priced at \$NT28,000. (\$1,000) Another Guangzhou artist, Wang Zhoujun, sold for as much as NT\$ 5,220,000 (\$200,000). The representation of Guangzhou artists, in particular in Taipei galleries, demonstrated the close links between that city's artists and the Taiwan art market.

The Apollo Gallery, which was once a supporter of risk-neutral artwork, re-opened in 1998 under new management to show the risk-averse artwork of artists like Santos Hu, for about NT\$ 220,000 (\$8,500). River Star Gallery presents Expressionist style oils for as much as NT\$ 1,320,000 (\$50,000), and the Chuan Cheng Art Centre the work of Sichuan

Nihonga artist, Jiang Chuen, for a median price of \$US 11,000. The gallery also shows the work of another *Nihonga* artist, co-represented by the Japanese owned J Gallery in Shanghai.

The Taiwan market has its eclectic corners. The Gallery New World, which is the sole promoter of the work of Dr Chen is the best example. The Gallery benefits from an outlet in the United States (Lucia Gallery) and the patronage of Taiwan's former President Lee Denghui. To a degree the same eclectic approach to the market characterised the May Galleries, the commercial arm of the Yuyu Yang Sculpture Foundation. The Gallery has since ceased to function with the death of its only attraction, the sculptor, Yuyu Yang, in 1998.

Alternative art market (for traditional type work) dealers

Han Mo Xuan is the most exclusive gallery in terms of its pricing. The gallery's owner, Diana Lee, explained (Int.133) with the return of Hong Kong to China, the *guohua* (Chinese painting – traditional type) market had substantively moved from Hong Kong to Taipei. The prices for the traditional type work in her gallery are well below the prices oil paintings sell for in a comparable A category gallery: NT\$55,000, (\$2,000) and according to Lee, it takes ten years successfully to promote a new artist in this traditional type work. The artist, Grace Tong (who has shown with Michael Goedhuis in London, 11/98) whose abstract calligraphy is admired by the younger generation of collectors, does, however, sell for upwards of NT\$ 200,000 (\$7,700). Lee suggested that because the fruits of Chinese scholarship into its traditional culture was banned in Taiwan until 1987, there was ignorance about *guohua* on the island. She went on to suggest that the market was sustained by the romantic imaginings of *waishengren* (The mainland KMT Chinese who evacuated to Taiwan after the defeat by the Communists) in search of artistic visions of their former homeland. Now that travel to China is possible, the desire to buy into that heritage has dissipated. In addition, the younger generation and Taiwanese collector were seeking images of Taiwan. Traditional art in Taiwan is problematic for yet another reason. Taiwanese *guohua* is an oxymoron because, arguably, it is not possible for one culture to appropriate the fundamental cultural tradition of another.

¹⁵ Huang's Concord auction house fell into disrepute in 1996, when a sale of ivory was believed to have a

There are other traditional style art galleries in Taipei. Snow Falcon Gallery deals in an expressive calligraphy, which the market refers to as *Shui mo hua*, (water and ink painting) and the De Yuan Art Centre in more traditional forms of contemporary *guohua*. It should also be remembered that Caves and Hanart have pen and ink artists on their books.

Alternative art market dealers

The vast majority of successful galleries in Taiwan fall between the avant-garde and alternative oil painting markets. Galerie Elegance is a pre-eminent example. The gallery supports itself by purveying the works of Zao Wou-ki, and venturing into the avant-garde market tentatively with works by Taiwanese artists: Hwang Jyi (illu.21) and J.C Kuo (Illu.22), geared to satisfy the local art market. The gallery's owner, Wellington Lee, who has 10-12 artists on his books, sells at prices which range from NT\$500-000 – 600,000 (US\$18,000 – 22,000).

He has described Lung Men and Hanart as the top two galleries in Taiwan, but has asserted:

“ We are always thinking about what the market can take, European Masters, Impressionists and of course, young Taiwanese artists. But you must strike a balance in order to survive. The fact that Apollo and Taiwan did not, resulted in their demise. The auction market is good for Taiwanese art, it educates people and helps them equate price to value and value to beauty.” (Int.53)

He went on to say:

“ I am a strong believer in the correlation between buying and education. Chinese people, perhaps more than any other, need to experience the thrill of a buy in order to really appreciate the art they have bought. They must participate in the market, and then they have the greatest incentive to educate themselves. Inside every Taiwanese lurks a businessman, and that phenomenon can be directed towards art. In museums you might be able to appreciate what is on display, but if you pay, you are drawn much closer to the creator.” (Int.53)

suspect provenance.

It is hardly surprising, therefore, that most Taiwan galleries direct their artworks at the lucrative Taiwan market, and the few which attempt to internationalise their ventures, with the exception of Hanart, do so on a limited scale.

Junk art market

Taiwan's market has diversified in the 1990s into department store art. Japanese-owned Sogo has a small gallery on the 9th floor of their main Chung Shiao East Rd store called Art Point. Prices ranged from NT\$ 40,000 (\$ 1,500), to prices as high as NT\$ 74,000 (US 2,800) in 1994. Sogo record a 75% success rate on sales from their commercial gallery space. The store did not charge a fee for rent of the space from the artist, and only 30% commission on total sales. Asia World department store has occasional exhibitions and performances. The gallery priced its works at around \$NT 10,000 (\$383) in 1994. Evergreen, Tokyu and the Ming Tao department stores, sell at the lowest end of the market, prints by Walasse Ting for \$NT 38,000 (\$ 1,450) and reproductions of Modern masters (Robertson, Sept1994).

Has international competition been encouraged?

When Lili Lee Friedlich was president of the Taiwan Art Dealers Association in the mid 1990s she tried to internationalise the event, and threw the doors open to foreign galleries. The problem, which Taipei Art Fair (T.A.F) faced at the time was timetabling. The November fair clashed with Art Asia in Hong Kong, and dealers like Gilbert Lloyd of Marlborough and Theo Waddington felt that they could ill afford not to participate in the Hong Kong event. Art Asia has, subsequently, ceased to exist and Shanghai, Taipei and Tressors in Singapore are now the region's major fairs (Robertson, July/August 1995).

Despite these difficulties, Friedlich persuaded Annely Juda to take a stand in 1995 at T.A.F, as well as the Tokyo galleries, Tamenaga, Shone and Nichido. Tressors held a mini fair within a fair at the 1995 event. Friedlich's greatest coup in that year was to secure the participation of Pace/Wildenstein and Richard Gray galleries from the United States. Friedlich spoke up in defence of accusations that Taiwan was isolationist:

“ You may be able to sell antique pots and jade to an international clientele in Hong Kong, but who actually buys contemporary art in Hong Kong? Shanghai is constrained by the central government” (Robertson, July/Aug 1995).

The Marlborough, mainly due to Chen Yifei’s popularity in Taiwan, is, however, the only regular major foreign dealer that returns to TAF on a regular basis.

What are the laws facilitating the development of an art market?

Taiwan has projected its contemporary culture onto the international stage at the last three Venice Biennales and the art dealers Association has tried to attract foreign galleries at the Taipei Fine Art Fair, but still no foreign dealers have a presence on the island. Hanart (Taipei) remains the only foreign owned venture on Taiwan. Some of the reasons for this state of affairs can be attributed to the complexities of Taiwanese business law (for an abbreviated survey of these laws see the Appendix 3).

There are three significant features which set Taiwan’s business environment apart from China’s. One is the restriction placed on Hong Kong and Japanese businesses; two; the absence of restrictions on owning or transferring foreign currency out of Taiwan, and three; the private nature of most business partnerships between Taiwan and foreign companies, notably in the case of joint venture. (Wu, K. & Wong, S. 1995).

Specific art taxes

The taxes on art in Taiwan are relatively low by British standards.

Paintings, drawings and pastels executed entirely by hand are import and tariff free. If the work is a reproduction or a printed work of art the tax is 7.5%. There is a sales tax of 5% on invoice value and a business tax of 25% if the buyer is required to issue the official invoice.

Sales price x 5% = sales tax

Sales price –import declaration rate x 25% = business tax

There are import restrictions on artworks from overseas being imported for sale in Taiwan of 5.95% for individuals and 4.25% for companies (Int.160, 153)

Antiques and early works of art (pre 1795) are prohibited for export from Taiwan, although goods, the origin of which is overseas, can be imported to Taiwan and re-exported after an exhibition under customs clearance (Robertson, March 1996).

The problem faced by the Western dealer exporting to Taiwan is not punitive taxation, but the location of a reliable Taiwanese partner/dealer with whom to establish a private Joint Venture - who will then sell the artwork within an agreed price range.

Does contemporary art receive the support of the public?

In 1993, Chen Chi-an, Vice Chairman and Advisor to the then 12 year old Council for Cultural Planning and Development (CCPD), suggested that his country would soon have a Ministry of Culture based on the French model. In addition, a \$NT 10 billion (\$365 million) Foundation fund would bestow grants on artists and arts events, rather like the American National Endowment of the Arts (NEA). The Council did try to enforce a mandatory per cent for arts scheme, whereby a per cent of the cost of construction of a new building goes towards art, but the Council has yet to be upgraded to Ministry status (Robertson, Dec,1993, Int.7).

In 1997, the CCPD explained that the blueprint for a Ministry of Culture was closer to being realised, although it gave its assurance that the Foundation would remain apart from the Ministry, and would continue to support private initiatives in the arts in Taiwan. Each year the government puts NT\$ 700 million (US\$27 million) into the Foundation, and plans for a Ministry are drawing ever closer (Int.49).

Taiwan's publicly financed museums have held a number of important historical exhibitions, which have contributed immensely to the cultural environment. In 1985 the National Palace Museum held a huge exhibition setting Chinese culture beside world culture, studiously avoiding any mention of the Peoples Republic of China, by presenting an uninterrupted period of Republican rule since 1911 (Int 8). In 1993, the Taipei Fine Art

Museum, under Directorship of the charismatic Nativist sympathiser, Huang Kuan-nan until 1997, put on an exhibition of 'Taiwan Art 1945- 1993', reinforcing the country's desire to promote its indigenous culture. The Museum acquired four representative works by the grandfather of Taiwanese Modernism, Cheng Chenbo. Cheng's iconic painting had been sold to the brothers Tzen Muyen and Tzen Taimin of Guo Ju Electronics for a record Taiwanese oil painting price of NT\$ 9.2 million (\$345,000) at the Sotheby's/Taipei auction of October 1993 (Robertson, Jan,1995, Dec,1993).

The Director of the Museum of Fine art in Taichung, Liu Dang Hu, explained that his museum's collection policy was also geared towards:

" Those Taiwanese over sixty five years old who have contributed most to the island's culture." (Robertson, December 1993)

Both museums have attracted over half a million visitors a year to their rolling programme of exhibitions.¹⁶

Unlike China, there is no artistic censorship in Taiwan. Johnson Chang believes that the reverse is probably true:

" When one is not sufficiently politically correct in support of persecuted Taiwanese, the arts community reacts ferociously." (Int.153).

What is the level of development of the cultural environment?

Great efforts have been made in recent years to make Taipei a more pleasant environment. The Mass Rapid Transit (MRT) rail system is operational, and has helped to relieve traffic congestion within the city. Despite the astronomical price of land in the city, parks have been created in central Taipei, and major road building projects have directed through traffic away from the city centre.

¹⁶ The accessions budget of the MFA Taipei was \$US 1.5 million in 1993 and Taichung's \$US 745,000 (AN Dec 1993)

Taiwan offers the tourist areas of great natural beauty, especially on the island's East coast, and areas of historical interest such as the former Spanish settlement of Tamsui in the North and former Dutch enclave of Tainan in the South. Tourism, however, is not a significant part of Taiwan's economy. The absence of tourist revenue to an extent reflects the make up of Taiwan's art market, in the same way as it helps to define the art market in Beijing and Shanghai. The limited role tourism plays in the Taiwan economy is illustrated by a comparison between its revenue and China's. A total of \$110 million earned from activities producing goods and services directly to visitors, compared with \$13,930 million accrued from the same form of tourism in China (World Tourism and Travel Council, 1999).

Taiwan has a number of first rate publicly funded visual arts institutions which provide the arts world with a platform on which to show its work. At the centre of contemporary visual arts on the island is the Taipei Fine Arts Museum, founded in 1983, a large Modernist building with a vast amount of floor space. In addition to showing the work of major international artists, the museum holds an avant-garde Biennale. The Museum Directorship has, in recent years, become quite politicised since the election of the then opposition party (DPP party) Mayor, Chen Shui-bian, and so has been accused of Nativist sympathies. The current Director, Mun Lee-lin, declared herself uninfluenced by either the Mayor or the artworld¹⁷, saying that art is apart from politics and the market is not the only source for new artists (Int.54). The Director is also unhappy to be labelled a Nativist, saying that Taiwan is the result of many cultural influences. The Museum is forging strong links with the City of Paris, and a cultural partnership between the two cities is a possibility, which would lead to many more reciprocal exhibitions (Int.54).

The Sun Yat-sen Memorial is another exhibition space for contemporary artworks, although it focuses on contemporary craftworks. The National Cultural Association also has a venue, which is part of the huge Chiang Kai-shek Memorial complex. The National Museum of History, founded in 1955, and since 1997 under the directorship of Huang Kuan-nan, actively promotes local art forms and Modern Taiwanese artists. Recent exhibitions on 'Pan Yulin', 'Early Taiwanese Traditional Art', 'Tainan Folk Craft, Folk Clothing in early Taiwan 1796 – 1932' have reaffirmed Huang's and the government's

¹⁷ The Taipei Fine Art Museum often approaches artists directly, bi-passing dealers.

commitment to Taiwanese, as opposed to Chinese, culture. The exhibition on three great 'Classical Masters of Chinese 20th century art – Chang Daichen, P'u Hsinyu, Huang Chunpi' paid lip service to traditional Chinese culture but represented the work of Chinese *guohua* artists who had chosen to reside in Taiwan after the defeat of the KMT.

The recently opened Museum of Fine Arts in Kaohsiung (est.1995) has a great atrium for sculpture and a sculpture park. It is actively acquiring work, mainly sculpture, for its permanent collection, and holds regular sculpture competitions, open to overseas artists¹⁸. The Museum's 'Modern Sculpture Development in Taiwan' exhibition of 1994 took the visitor through the early figurative works of Taiwanese sculptors from the 1920s to the 1990s, and once again reaffirmed the Nativist cultural tendencies on the island (Int.28).

The National Palace Museum holds the premier collection of Chinese artworks in the world, housed in a mock traditional Chinese edifice set within a wooded landscape. The Museum, founded in mainland in the 14th year (1925) of the Republic of China, was constructed on Taiwan in the 1960s and continues to put on world class exhibitions of Chinese and Western art. (Robertson, September 1995, February, 1996).

What is the level of (contemporary) cultural education?

Taiwan's museums have made great efforts to reach out to attract visitors and offer a wide range of cultural experiences. On 12th June 1994 the new Museum of Fine Art in Kaohsiung opened under the directorship of Huang Tsai-lang, after an opinion poll carried out in 1979 revealed that 87% of the inhabitants of this industrial city in the South, thought that a cultural institution would benefit the region. The initial capital building costs were NT \$1 billion (US\$385 million) and the money came from the Ministry of Education and the Bureau of Public Works. The goal of the museum was to establish a collection of the work of local, Southern Taiwanese artists. There will be a permanent collection, consisting mainly of Taiwanese artists as well as touring and loan exhibitions. The museum has already collected over 400 examples of calligraphy, and aims to be the first museum in the country to have a space devoted to the display of calligraphy (Int.28).

¹⁸ The sculptress, Cynthia Sah has been particularly successful in these competitions

The National History museum under the Directorship of Huang Kuan-nan, has become a strong educational tool. It has held, in addition to numerous exhibitions on Taiwan's leading oil painting Modernists, shows of Taiwan Folk culture and French Impressionist paintings, and is preparing an extensive series of catalogues of its first-rate permanent collection, which is particularly strong in three colour Tang dynasty tomb figures and ceramics. The Museum was beautifully refurbished for the Impressionist loan exhibition from the Louvre in 1997. In 1995, the National History Museum worked with the British Museum to put on an exhibition and organised a symposium on Chinese Export Ceramics (Robertson, May 1997).

Corporate and private collectors abound in Taiwan, and many actively set out to stimulate public interest in the arts. The Chang Foundation, run by former Christie's Director, James Spencer, is a museum which displays the Chang Family collection. It is a superior institution, with an important collection of ancient Chinese bronzes, ceramics and paintings. Its library is also well stocked. The Chi Mei Foundation in Tainan may not be scholarly, but it does provide at least an opportunity for local residents to become familiar with Western art. The works on display are a mixture of 19th century French statuary and oil paintings, but its strength lies in musical instruments (Robertson, Jan 1995, Dec 1993).

One of the reasons for the rude health of the local art market in Taiwan is the presence of numerous private collectors. Kenny Lo, President of the Taiwan Trust, Douglas Hsu, Chairman of the Far Eastern Group, are two major collectors of European Impressionists. The China Trust's president, Ku Lin-song, specialises in collecting Chinese Modern paintings. Electronics Company, Yung Da, collects Chinese watercolours, and calligraphy. Evergreen and the Aurora Corporation collect calligraphy and brush painting and the Guo Ju Electronics Company buy into Taiwanese Modern art. Wu Chinyo, owner of the Chern Ping Corporation, has his own collection of of avant-garde, young Taiwanese artworks, as does Geoffrey Huang, owner of Dimensions, the cultural arm of the Taiwan Pineapple Group. (Robertson, January, 1995). Huang has explained why he, in particular, was interested in contemporary avant-garde Taiwanese artwork:

"Taiwanese art adds to our corporate image. As an entrepreneur born in Taiwan after World War Two, I chose the arts as my response to the new era of diversified operations, expecting to integrate it into my business operation." (Robertson, January 1995).

Huang's approach to collecting is mirrored by that of Hong Kong entrepreneur, David Tang, who has integrated the Chinese avant-garde artworks into his clothing company's 'Made by Chinese' brand.

Dimensions has taken on a central position in the development of cultural education in Taiwan. It focuses on contemporary local art, aiming to develop a museum standard collection. The Foundation co-sponsored with the department store, Shin Kong Mitsukoshi, in 1992; 'The Legend of Xu Beihong'. It co-operated with the Musee Marmotan in Paris in bringing 'Claude Monet and the Impressionist Masters' to the National Palace Museum in 1993. In 1995 the Foundation supported the Andy Warhol exhibition at the Taipei Fine Art Museum. Branches of Dimensions art gallery can be found in New York, Paris, and Tokyo.

From September to December 1995, the National Palace Museum in co-operation with the Louvre, organised an exhibition of: 'Landscape in Western Painting from the 16th century to the 19th century'. The exhibition was facilitated by Dimensions French based liaison office and the budget for the project was estimated to be in excess of NT\$ 100 million (\$3.72 million). Dimensions picked up 60% of the bill and an estimated 500,000 visitors saw the exhibition. The other organisations involved in the package were the airline, Evergreen, who provided the transport, and the newspaper, United Daily News. The 71-work exhibition was accompanied by months of seminars, lectures and educational programmes, which were heavily supported by Dimensions. The Foundation stated:

"In order for Taiwanese taste to change the people must have access to and be able to see first-hand, great Western works of art, and this must be backed up with a strong educational programme" (Robertson, Sept 1995).

The Chang Ku construction Group, established in 1978, bought from Hanart 'Tai Chi Gate' by Ju Ming, and has erected the sculpture outside the company's administrative headquarters in the Southern city of Kaohsiung. The company also collects contemporary Chinese painting for their corporate collection. The Wang Shiang Construction Company is the major business competitor of Chang Ku and the company chairman, Ling Ming-er, is an art lover. Together with 30 business colleagues, he established the Yien Huang

gallery and an art magazine in Kaohsiung. He collects mainly the avant-garde artworks of Southern Taiwan artists.

The Treasure Dragon and MJ construction companies, owned by Li Jen-uw, established Galerie Pierre in 1990 and started out dealing in Taiwanese Modern art, changing to Taiwanese artists in 1992. The gallery's most critically successful exhibition was 'Seasons of Typhoons – Modern Art in Taiwan' showing the work of nine young, Taiwanese artists. The Prince Housing and Development Corporation in Taipei shares the concern for the built environment and quality of living space, which persuades so many construction companies to invest in artwork. The company sponsored the 1994 Taiwan Art Exhibition at the Taipei Fine Art Museum. The Hsin Kong Group provides one of its buildings for the Sotheby's auctions and the Chairman collects and is particularly interested in images of lions.

The Mountain Art Foundation operates out of the tallest building in Kaohsiung, owned by the Property Company Wang Hsiang. On the top two floors of the buildings can be found a split-level gallery space, which shows the work of Southern Taiwan artists. The main cultural ambition of this organisation is to support the work of young Taiwanese artists through not-for-profit exhibitions (Robertson, Jan, 1995).

In May 1997, the China Times and the National History Museum combined forces to produce 'The Golden Age of Impressionism' from the Musee D'Orsay in Paris. The exhibition spent a month in Taipei and then moved onto Kaohsiung. The newspaper, The China Times, invested NT \$ 70 – 100 million (\$2.5 million) and covered the premiums for an insurance value of NT\$ 10 billion (\$370 million). The paper also paid for a NT\$25 million (\$1 million) refurbishment of the National History Museum. A total of 60 Impressionists works were chosen by the Taiwanese (Robertson, May, 1997). One million visitors attended both legs of the show. (Robertson, Sept, 1997). According to Huang Kuan-nan 95% of the funding came from the private sector (Robertson, Int. 154).

The clearest example of a relationship between art and education can be found in the extrinsic events organised by the Taipei Art Fair Organising committee of 1997. The Committee secured sponsorship from Shin Kong Mitsukoshi, and arranged for six sculptors to create their work outside the company's department store. The Shin Kong

Mitsukoshi Cultural & Educational Foundation agreed to purchase the finished work in addition to sponsoring a wide ranging programme of lectures and seminars for the duration of the fair (Int.47).

Closing remarks on the art market in Taiwan

Commercialism and the state run cultural bureaucracy work extremely well together in Taiwan to ensure that the population is exposed to a great deal of Western, Chinese and Taiwanese culture of the highest order. In addition, the Taiwanese are some of the world's most travelled nationals, who have experienced the cultural glories of the West at first hand.

All the ingredients necessary for the establishment of a vigorous art market are present in the island's capital, Taipei, but the city remains a local and at best regional art market capital. The reasons for this can be explained by the political and diplomatic constraints placed on Taiwan by the international community, and the fact that Taiwan's local market is vital enough not to require the attentions of the international art market. There are other reasons why Taiwan's market remains stubbornly national and regional; the generally low value placed on Taiwanese contemporary culture by the international market and the relatively recent transition of the island from developing to developed economy. Nevertheless, Taiwan's local art market is a model for other regional art markets, and the island's situation demonstrates that isolationism can inure the local market to dramatic fluctuations in price and value on the international market.

The art market for contemporary art in Hong Kong

Hong Kong in the 1990s has provided Chinese artists with an opportunity to sell their work on the international art market. The decade has, however, also seen the City State's premier contemporary art market position in Asia challenged by its competitors. Sotheby's and Christie's have been persuaded that Taipei is a better venue for their 20th century oil painting sales than Hong Kong and the art fairs of Taipei and Shanghai have replaced Hong Kong's Art Asia, which was, until its demise, regarded as the main fair in Asia. Hong Kong's position as an international art market for contemporary Chinese

painting has been further undermined by the emergence of Western and Chinese avant-garde dealers in China who have attracted buyers to the source market. With the relaxation of laws in both Taiwan and China, which prohibited Taiwanese entrepreneurs from conducting business in the mainland, Taiwan dealers need no longer use Hong Kong as an intermediary market. This has greatly affected Hong Kong's regional art market position. Finally, Hong Kong's local art market for indigenous artists is very small, although competitive, and does not offer much hope for expansion.

Have international prices been achieved?

Hong Kong achieves the highest prices for established contemporary Chinese painting as international auction house sales for the works of Wu Guanzhong, (regularly in excess of \$100,000) and Chen Yifei (record price of \$503,100 at Sotheby's Hong Kong in November 1997) demonstrate (see Appendix-auction house prices for both these artists). Both artists are price leaders across all markets in the field of contemporary Chinese artworks. The dealer prices in Hong Kong are higher than those for similar avant-garde works on the mainland, and it is still the case that record prices for major established contemporary Chinese artworks will be set in Hong Kong either through auction or by private treaty.

Forty year old Chinese artist, Xia Xiaowan, promoted by Shoeni, is a good example. His risk-averse artworks achieve prices that it would be impossible to demand in China. The prices he achieves are recorded in fig. 21.

(fig 21) price development for Shoeni artists,Xia Xiaowan and Zhu wei, Source: Shoeni Fine Art HK,1998	
Xia Xiaowan	
Swimming	HK\$ 40,000 (\$5,263)
No Way to go	HK\$ 75,000 (\$9,868)
Evanesence of water	HK\$ 85,000 (\$11,184)
Floating	HK\$ 75,000 (\$9,868)
Zhu wei	
China China no2	HK\$ 150,000 (\$19,736)

Most new artworks from China are introduced to the international art market by Hong Kong galleries such as Hanart and Alisan (although the Western ventures in China are challenging Hong Kong’s role), and so the inaugural shows of an artist like Shen Xiaotong will set the benchmark for that artist’s international prices.

It is also the case that established artists from China will continue to choose to use Hong Kong as a market place for their artwork, confident that they can attain an international price in that territory. Indigenous artists are also able to attain the highest price for their work in Hong Kong, and the local price in Hong Kong is the international benchmark price for their artwork. This is certainly the case with Wucius Wong and Luis Chan, whose price development is presented in figure 22.

(fig 22) Price development for Wucius Wong and Luis Chan,1999, Source: Hanart TZ,HK.					
Wucius Wong					
Year	Size(cm)	HK\$	US\$	Hkpersqcm	Variation
1994	84x84	52,000	7,123	7.37	
1994	132x132	140,000	19,178	8.00	109%
1999	90x90	100,750	13,801	12.44	155%
1999	82x70	60,000	8,219	10.39	84%
Luis Chan					
1990	69x134	55,000	5.95	7,534	
1995	69x135	77,000	8.27	10,547	139%
1998	69x135	124,000	13.31	16,986	161%

What is the indigenous market’s level of development?

Hong Kong’s art market is the exact opposite of Taiwan’s because its dealers aim primarily at the international art market, although, as was shown, galleries carry local artist’s work, which is directed at the local art market. Hanart gallery has even opened a representative office in London (September 1999) in order to develop a taste for Chinese contemporary artwork internationally. Competition between contemporary art dealers in Hong Kong for the exclusive rights to the representation of an artist is intense, and the relatively higher prices in Hong Kong are, in part, a reflection of these monopoly contracts. Practically all Hong Kong galleries can be described as international art market concerns dealing in the work of the most commercially successful artists (5 of the 20

category A1 and A galleries are Hong Kong based) shown in figure 23 and in the Gallery Survey Appendix 1).

(fig 23) Major contemporary art Galleries in Hong Kong, (Hong Kong owned, unless stated). (Origin of artist in parentheses)

Name of gallery	art market	nature of work
Alisan	IAM/LAM	AG(HK,PRC)
Hanart TZ	IAM/LAM/RAM	AG(HK,PRC)
Kwai fung hin gallery	IAM/LAM	AAM(HK,PRC)
Galerie Martini	IAM(foreign)	AG(HK)
Plum Blossoms ¹⁹	IAM/LAM(foreign)	AAM(HK,PRC)
Gallery 7	RAM	AG
Hong Kong Fringe Club	IAM	AG
Shoeni Fine Art	RAM(foreign)	AAM(PRC)
Gallery La Vong	IAM (foreign)	AG(Vietnam)
Mandarin Oriental	IAM	AG
Marlborough FA	IAM(foreign)	AAM(PRC)
Master paintings	AAM/ Modern	
Parasite Art Space	IAM	AG
Sycho & Son FA	IAM	AG

Key: IAM=international art market, LAM=local art market, RAM=regional art market
AG=avant-garde artwork, AAM=alternative art market artwork

Avant-garde art market dealers

The two longest established galleries, and the most authoritative in the Chinese contemporary arts, are Hanart and Alisan. Hanart, established in 1977, the same year as the Hong Kong Art Centre, holds its pre-eminent position because of the foresight of the owner, Johnson Chang, in bringing to the international art market not just the avant-garde ‘Political Pop’ artworks’, but also avant-garde Taiwanese and Hong Kong artwork. Chang has, in recent years, moved back to his Chinese traditional roots, a subject he knows well, and sought out avant-garde artworks with a traditional flavour. In September 1999, he

¹⁹ Although Plum Blossom would seem be the correct spelling for the gallery’s name it is in fact, Plum Blossoms

acquired a substantial collection of the work of Zhao Yannian; a pre-eminent wood cut artist, now in his seventies (illus.23). Some of the most expensive contemporary avant-garde Chinese, Hong Kongese and Taiwanese artists can be found in Hanart’s inventory (see fig 24).

(fig 24) HanartTZ inventory of HK and Chinese artists Source: Hanart: August 1999		
HK	Chinese	Taiwanese
Luis Chan	Yu You-han	Ju Ming
Gaylord Chan	Zhang Xiao gang	Cynthia Sah
Wucius Wong	Wang Guangyi	Yu Peng
Chu Hingwah	Zhang Xiaotong	Cheng Tsai-tung
Ho Siukee	Zhao Yannian	
Lucia Chang	Liu Wei	

Alice King began staging exhibitions of Western Modern masters in 1975, the first of its type in Hong Kong. In 1981, she opened Alisan, and has concentrated on promoting the work of Chinese artists living overseas, like, Zao Wou-ki, Walasse Ting, Chao Chungsiang, and up and coming artists such as Liu Jan, Xu Lei and Zeng Mi. King served on the advisory board of the Guggenheim Museum in New York for the ‘China- 5,000 years’ exhibition, and also assisted in gathering works for the 1998 Zao Wou-ki exhibition in the Shanghai Museum of Art. The gallery has a vast stock of over 2,000 paintings and also operates as an art consultancy. Alisan handles the work of some of the most expensive Chinese and Hong Kong contemporary avant-garde artists (see fig.25).

(fig 25) Alisan inventory for HK and Chinese artists:Source:Alisan, August 1999	
HK	PRC
Liu Shou Kwan	Cui Zi Fan
Wang Hai	Jiang Baoling
Wucius Wong	Lu Fusheng
Fang Zhaoling	Peng Xiancheng
	Zeng Mi
	Chen Jialing
	Xu Lei
	Li Huasheng
	Li Shan
	Wang Tiande

Stephen McGuiness of Plum Blossoms Gallery deals primarily in the work of mainland artists, although also Hong Kong based artists like Wucius Wong.²⁰ Plum Blossoms has been trading in the area of Chinese contemporary avant-garde artwork for many years (est. 1987 --HK, est. 1991 - Singapore) and also deals in the work of mainland artists. In addition to its portfolio of Chinese and Hong Kong contemporary artists, the gallery also specialises in the work of Vietnamese artists (see fig.26).

(fig 26) Plum Blossoms' inventory of HK and Chinese artists. Source: Plum Blossoms, August 1999	
HK	Chinese
Wucius Wong	Zhu Wei
Victoria Lai	Wei Dong
Irene Chou	Nie Ou
	Hu Yongkai
	Wu Shaoxiang
	Chen Jialing
	Zeng Shanqing
	Wang Dawen
	Qiu Desha

Gallery Martini has recently moved into a Wellington Street colonial building. The gallery will continue to show from risk-neutral artwork and has set itself up as an art library resource. One of its most conspicuous exhibitions was an installation created at the time of the 1997 changeover entitled; ‘ Today I woke up in a Communist country’, for which the exterior of the building was painted red.

Hong Kong has experimental spaces for avant-garde art such as Parasite, the Hong Kong Fringe Club, and original approaches to buying and selling art in the avant-garde market. Original Photographs Editions, run by an acclaimed Hong Kong photographer and digital artist, produces for sale small booklets in which one work by six to ten photographers each is reproduced.

²⁰ Plum Blossoms represent Wucius Wong’s watercolours, Hanart, the artist’s paintings

Alternative art market dealers

Kwai Fung Hin, run by Catherine Kwai, was established in 1991, and after showing the works of European Moderns for four years, moved into the China and Hong Kong alternative contemporary market. In 1997 the gallery set up a subsidiary art consultancy, advising clients on artwork for interiors. The gallery has a stable of moderately priced Hong Kong and Chinese artists on its books (see fig.27).

(fig 27) Kwai Fung Hin inventory for HK and Chinese artists.Source Kwai Fung Hin, August 1999	
HK	China
Wu Wing Yee	Shi Hu
Ng Tak Tung	Hu Zhen Yu
Lee Man Sang	Wang Huaqing
Ng Ching Wa	Liu Hongwei
Cecilia Ho	Xu xi
	Huang Mouqiang

Manfred Shoeni, the Swiss born Hong Kong dealer, represents the interests of 15 artists exclusively. In 1997 the Gallery was in dispute with Hanart’s exclusive right to represent Zhang Xiaogang, whom it approached without consulting Johnson Chang (Int.153,56). The Gallery employed, until last year, a buyer in Beijing called Guo Fang, whose job it was to find new material and artists for Shoeni’s Hong Kong Gallery. Unlike Marlborough, which has sister galleries all over the world, Shoeni relies on oligopolistic relations with other Western dealers to promote the careers of its artists. The ‘8 plus 8 minus 1’ show, for example, which exhibited the works of Chinese Realistic oil painters, and a few avant-garde Chinese artists, appeared in the Connaught Brown Gallery in London in the early 1990s. The Gallery has maintained that Hong Kong is still the first port of call for the global collector, especially, for what the Gallery has described as ‘international quality’ art (Int.56). Shoeni specialises in the work of the biggest Academic oil painting names, as his inventory in fig. 28 shows.

(fig 28)Shoeni
inventory of Chinese
artists
Source:Shoeni Fine
Art, August 1999

Cao Li
Wang Yidong
Li Guijun
Liu Dahong
Wong Danxian
Yu Xiaofei
Zhong Biao
Jiang Guofang
Wang Huaxiang

Junk art market dealers

There is a substantial junk art market operating in Hong Kong. According to Martin Bailey (Bailey, Sept 1996) more than a million Western style paintings are exported from the Far East every year.

“ ‘Original’ oil paintings produced in the East for Western buyers are now widely sold in department stores, down market galleries, street markets and by mail order. Their one distinguishing feature is price: they are cheap, usually retailing in Britain from £10 upwards.”(Bailey, Sept 1996).

Hong Kong is the centre of this business, although Taiwan also manufactures vast quantities of these images. Dominic Chan started his business in 1975 and now markets the output of 500 painters from workshops in China and Hong Kong. Dominic’s Art Gallery sells 250,000 pictures a year, with wholesale prices as low as \$ 1.20 for a small 12x17 cm original and up to \$ 10 for a 61x122cm work. Demand at this level of the market is for wooded landscapes, innocent looking children, flying ducks, flower arrangements and sailing clippers.

Other galleries specialise in replicas of Western Masterpieces. Ultra Art lists its dozen top selling works starting with Van Gogh’s portrait of Adeline Ravoux and including three other Van Goghs, two Cezannes, two Monets and works by Constable, Manet, Degas and Modigliani. Prices range from \$ 70 – \$ 215. The work produced in this market utilises two production qualities which are in abundance in the Greater China: cheap labour and fast hands.

“The mass produced ‘original oils are made by Chinese workers, either in China itself or in Hong Kong, Taiwan or Thailand. Although wages are still relatively low in the Far East, it is the speed with which the painters work which makes it possible to sell the pictures so quickly.” (Bailey, Sept 1996)

Has international competition been encouraged?

Colin Sheaf, Director of Christie’s Chinese department in London has asserted, with respect to the Hong Kong art market, that:

“ Auctions are not the Chinese way of doing things” (Robertson, March 1996)

He further explained that the collectors’ market is very discreet and entrepreneurs too busy to attend black tie auctions. Yet by the mid 1980s the international auction houses, Sotheby’s and Christie’s, were reaping large rewards in Hong Kong. Hong Kong has now established sales of Modern and contemporary Chinese artworks. The loss of the art fair, Art Asia, has been a blow to the international stature of the Hong Kong market, but the significant number of Western owned galleries in Hong Kong testifies to the territory’s enduring position as an intermediary between the source market in China and the international art market.

What are the laws facilitating the development of an art market?

Favourable and simple foreign company laws make for a friendly business environment for the overseas dealer. Unlike China and Taiwan, English is the language of business, and foreigners, whether buyers or retailers, face none of the legal restrictions or inconsistencies of prospective participants in China’s art market (See Appendix 3 for survey of foreign business environment in Hong Kong).

Taxes specific to art

Hong Kong has no art tariff, apart from the normal and minimal import/export duties on values declared. There is no sales tax in Hong Kong and only a 16% profit tax on net company profits as the law on profit taxes indicates:

“ To be subject to profits tax, the company must both i) carry on business in Hong Kong
ii) Earn profits from that business, which arise in Hong Kong. The test for determining where profits arise is: where do the operations giving rise to the profits take place, in substance? If the profit-generating operations are in Hong Kong, then the resulting profits are taxable even if not received in Hong Kong.”
(Baker & McKenzie, 1999, p.14)

The key issue in determining where profits arise is where the taxpayer's contracts of purchase and sale are 'effected', but “ ...there is no authoritative view as to the exact meaning of 'effected'.” (Baker&McKenzie,1999, p.15). This has implications for the international art market trade, since so many customers are overseas and many sales, therefore, arguably 'effected' outside Hong Kong. Profits tax in the foreign country would have to be lower than that of Hong Kong for this to be an advantage, and there is no tax in Hong Kong on accumulated earnings and profits. Dividends are not subject to tax and Hong Kong does not impose withholding taxes on dividends or interest. There is no capital gains tax. There is also no restriction on the nature of work which can be imported, exported or sold in Hong Kong, except when the Television and Entertainment Licensing Authority (TELA) questions the 'morality' of the content²¹.

The UK's Department of Trade & Industry (DTI) is optimistic about the continuing legal independence of Hong Kong under the 'One country, two systems' arrangement, saying that Hong Kong's high degree of autonomy includes an independent executive, legislative and judicial power. It has advised that:

“ With very few exceptions, the laws in force under the former British Administration have stayed in place. The English language will continue to be used in contracts and commercial proceedings.” (Department of Trade & Industry, 1999, P.4)

These conditions, which the DTI have confidently expounded, may exist for a time for the overseas investor, but there is already evidence of the erosion of certain rights for Hong Kong citizens (see chapter seven).

Does contemporary art receive the support of the public sector?

²¹ Elizabeth Frink's 'New Man' almost fell foul of the censors in 1997

Since 1st June 1995 support for the visual arts in Hong Kong has come largely from the Hong Kong Arts Development Council (HKADC), an independent statutory body. The HKADC's stated aim is to plan, promote and support the development of the arts. It also has plans to lobby the private sector for sponsorship for the arts, which will be additional to its government funding. It does not fund museums, which come under the Urban Council. In 1996, the HKADC published its first five-year strategic plan, which envisaged an increase in annual funding from the then HK\$90 million (\$12.8million), rising to HK\$218 million (\$31.2 million) by 1997-98. The budget for the visual arts in 1997/8 was HK\$24 million (\$3.4). Of the visual arts budget, 65% is allocated to four objectives: supporting artistic creation, education, infrastructure and research and documentation. The HKADC has a three tier decision-making structure.

The Council itself is the governing body of the organisation, and makes broad policy decisions on arts developments, and three boards manage different aspects of the Council's work. The Resource Management Board looks after finances and administration, the Strategic Development Board manages the policy development process, and the Artform Board deals with administrative issues as they affect each of the Arts Committees. The Arts Committees are the third tier of the decision making structure and are responsible for grant giving. The Chairman of the Visual Arts Committee is Benny Chia Chun-heng, founder and general manager of the Hong Kong Festival Fringe and the Fringe club, one of the leading promoters of contemporary art in Hong Kong. The Council has asked artists; Gaylord Chan and Chu Hingwah, to join the Visual Arts Committee (Chiu, March 1996).

The Hong Kong government has provided the Arts Development Council with substantial funds, most of which are channelled into the performing arts, although experimental arts organisations like Videotage, run by Ellen Pau, do receive funding from the Council. The Council provided funding for the catalogue accompanying the exhibition of Chinese artists at the Sao Paulo Biennale in 1994, although Hanart gallery covered the other costs.

What is the level of development of the cultural infrastructure and urban environment?

Hong Kong's urban infrastructure is by far the most advanced in Greater China. The HK\$ 70 billion (\$10 billion) new Chek Lap Kok international airport opened on 6th July 1998.

The Hong Kong government is planning to spend a further US\$ 30 billion over the next six years on road and rail projects.

Regional tourists have played an important role in sales at Hong Kong retail outlet, and the territory has remained, in proportion to its size, Greater China’s most popular tourist destination in 1998 as fig. 29 shows.



Despite its small land-mass and tiny population, Hong Kong attracted \$60 million worth of goods and services directly related to visitors compared with the \$13,930 million attracted by China and the \$110 million attracted by Taiwan (World Travel and Tourism Council, 1999)

In the urban area of Hong Kong, the Urban Council is responsible for the provision and management of museums, libraries and other cultural facilities. Museums funded by the Urban Council include the Hong Kong Museum of Art.

Hong Kong has, despite its impressive cultural infrastructure, limited provision for the public sector contemporary visual arts. The Hong Kong Museum of Art, opened in 1991 and funded by the government, is dedicated to the promotion of public interest in the visual arts. It has a contemporary Chinese art gallery as well as an open air sculpture gallery. It has, however, not managed to curate any outstanding contemporary exhibitions yet. A longer established and more active institution is the Hong Kong Arts Centre, established in 1977. A statutory body with independent status, and is a non-profit making organisation. It does not receive regular government funding. The Arts Centre is governed by the Hong Kong Arts Centre Ordinance of 1986, which decreed that the Centre’s

management be placed in the hands of a board of governors. For the visual arts, the Centre houses the Pao Sui Loong and Pau Yue Galleries, considered one of the main visual arts spaces in Hong Kong. The centre does not have a permanent collection but acts as a showcase for local contemporary, avant-garde artists and international contemporary risk-neutral artworks. Inaugural shows in the Centre focussed on Modern Western and Chinese masters like Monet, Lucian Freud and Zao Wou-ki, as well as on the work of local artists (Chiu, March 1996).

The most widely publicised and discussed contemporary art show of the early 1990s was 'China's New Art Post 1989' at the Hong Kong Arts Festival in January 1993, which launched the careers of the first generation of 'Political Protest' avant-garde Chinese artists. The Hong Kong Arts Centre has also produced other influential shows in the 1990s. 'Hong Kong 1960s: Designing Identity' in 1994 was a perceptive look at the relationship between different societies in that decade. The Centre's 'Museum 1997: History-Community-Individual' was a fictitious, yet significant, study of Hong Kong's cultural and political pre-history up to 1997 and proved a highlight at the time of the hand-over in June 1997.

Weightier cultural exhibitions have been curated by the Hong Kong Museum of Art, such as: 'Innovation in Twentieth Century Chinese painting: Tradition and Innovation' in 1995, an exhibition which travelled to the British Museum. 'National Treasures from the Peoples Republic of China' in 1997, was a politically driven yet scholarly exhibition to mark the territory's transition from British to Chinese sovereignty. In 1998 Zao Wou-ki, was given a retrospective exhibition in the museum.

There are other contemporary visual arts spaces which provide gallery space for hire: The Hong Kong Institute for the Promotion of Chinese Culture, Hong Kong Visual Arts Centre, Sai Wan Ho Civic Centre, Sheung Wan Civic Centre, Sky Lobby Arts Space, Hong Kong Cultural Centre, Ngau Chi Wan Civic Centre, Chinese University of Hong Kong Art Gallery, Sha Tin Town Hall, Sir Run Run Shaw Hall, Tsuen Wan Town Hall, Tuen Mun Town Hall (Chiu, March 1996).

Hong Kong's public budget for the arts is substantial but a criticism made by many contemporary art dealers is that most of this sum is channelled into the Performing arts,

and the exhibitions which do take place are out of step with the prevailing cultural climate.(Int.99, 153).

What is the level of contemporary cultural education?

The Hong Kong Arts Centre has a very active educational programme of seminars, classes and courses for the general public, and a substantial proportion of its space is dedicated to educational purposes. The Education Department has grown in size in relation to other departments within the Centre, and the full range of catalogues and fliers offering explanations accompanies all visual arts exhibitions. The Centre also pursues an active outreach programme in schools, although a criticism of the centre made in Rosa Ip's study revealed that the institution has not sufficiently integrated its artistic aims and philosophy within its educational programmes. (Ip,1998).

Many of the top international art market commercial galleries, such as Hanart and Alisan, educate their clients to appreciate the new art and work closely with Hong Kong's government supported cultural institutions on exhibitions and catalogues. David Tang's collection of 'Political Pop' paintings, which line the walls of the China Club, were acquired on the advice of Johnson Chang. Tang, like Taiwan's Geoffrey Huang, has utilised 'Political Pop' by integrating it within his company's corporate image and thereby expanding its audience base. Shanghai Tang Department stores in Hong Kong and New York and his China Clubs in Beijing and Hong Kong are successful examples of Chinese branding, using nostalgia for between-the-wars Shanghai as a marketing tool. 'Political Pop' has helped Tang to up-date this concept, both through its arresting Realism, its crafted imagery and by its proven success as an international commodity.

Closing remarks on the contemporary art market in Hong Kong

Hong Kong's favourable laws, advanced urban infrastructure and ability to achieve international prices for Chinese artworks make the City-State a strong candidate for regional, contemporary art market capital. However, the small size of the territory's indigenous contemporary art market and the lack of not-for profit sector support for the contemporary visual arts, has constrained Hong Kong's development. There is also a fear

that the territory’s legal independence might be compromised by mainland China at any time.

Statistical analysis of the art market in Taipei, Hong Kong, Shanghai and Beijing.

On the basis of the data; information and analysis of the contemporary Chinese art market gathered together from the interview survey and observational and statistical sources, it has been possible to reach a conclusion of the comparative strengths and weaknesses of the local, regional and international art markets for the three territories under discussion.

The most significant centre for contemporary art in Greater China.

According to the performance of the four markets, analysed under seven criteria throughout this chapter, it has been possible to apply a grade to their respective levels of development as shown in figure 30:

(fig 30) The contemporary art markets of Hong Kong, Taipei,Shanghai and Beijing graded according to seven principal criteria				
Criteria	Hong Kong	Taipei	Shanghai	Beijing
International prices	B	A	C	C
Indigenous art market	C	A	E	D
International competition	A	C	B	B
Facilitating laws	A	B	C	C
Public support	B	A	D	D
Cultural and urban Infrastructure	B	B	C	E
Cultural education	B	A	D	D
Where A is the best and scores 5 points and E the worst and scores 1 point				

Taipei emerges as the strongest contender,
Taipei scores 4 As, 2 Bs and 2 Cs (34 points).

Hong Kong follows closely with 2 As, 5 Bs and 1 C (33 points).

Neither Shanghai nor Beijing managed to score the highest grade for any of the categories, but Shanghai bettered Beijing's performance.

Shanghai scored 1 B, 3 Cs, 2 Ds and 1 E

(17 points).

Beijing 1 B, 2 Cs, 4 Ds and 1 E

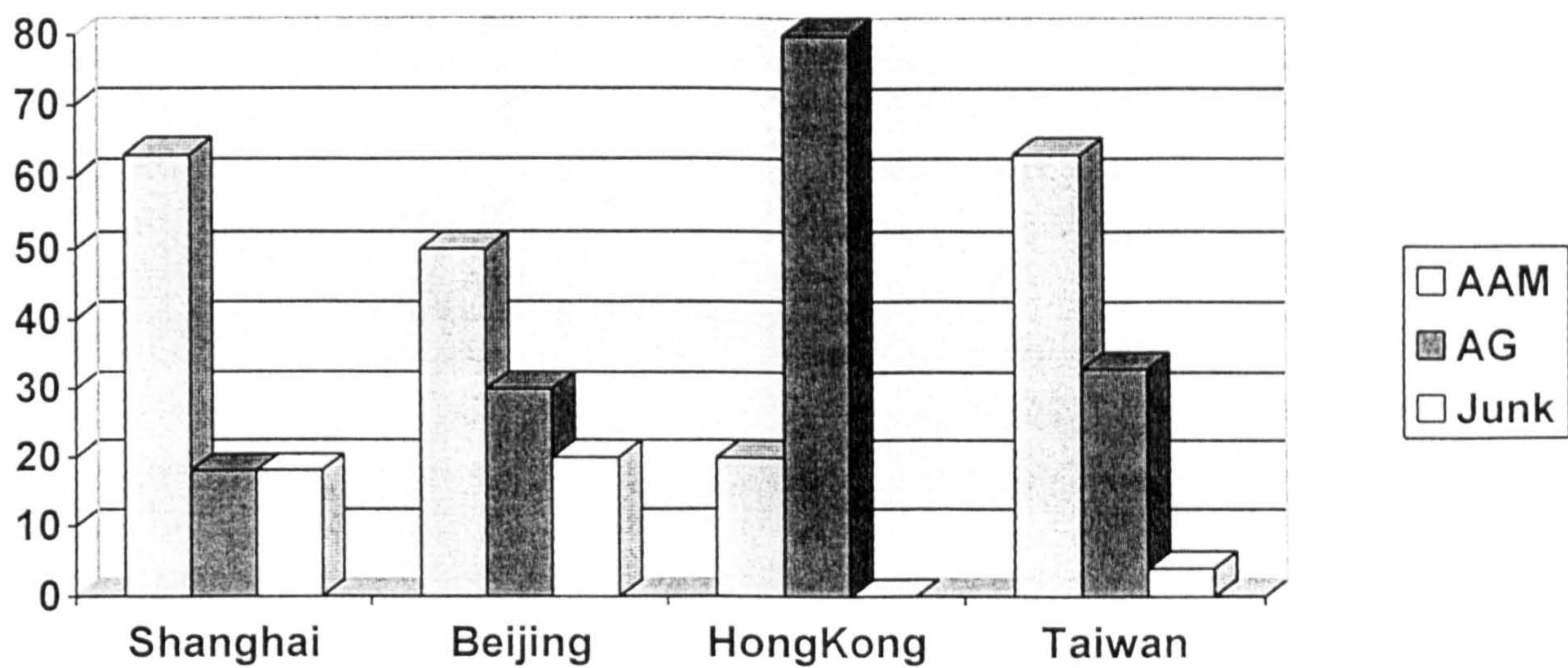
(17 points).

The Gallery world

My in-depth survey of 73 (47 –Taiwan of which (42 – Taipei), 5-Hong Kong, 10-Beijing, 11-Beijing – see Appendix, Gallery Survey) commercial galleries out of the 102 recorded in this study (65- Taiwan, 23, Shanghai and Beijing, 14 Hong Kong – see Chapter 2 p.17) in Greater China enables this study to evaluate the relative merits of the gallery worlds under discussion (see Appendix, Gallery Survey, also see Chapter 2 pp.5-17 for explanation on selection process). The following graphs are based on the statistical information in that Appendix and are correct for Hong Kong August 1999, China July 1999 and Taiwan November 1999.

The sample survey of 73 galleries produced the following break down by specialisation illustrated in fig.31 (see Appendix 1):

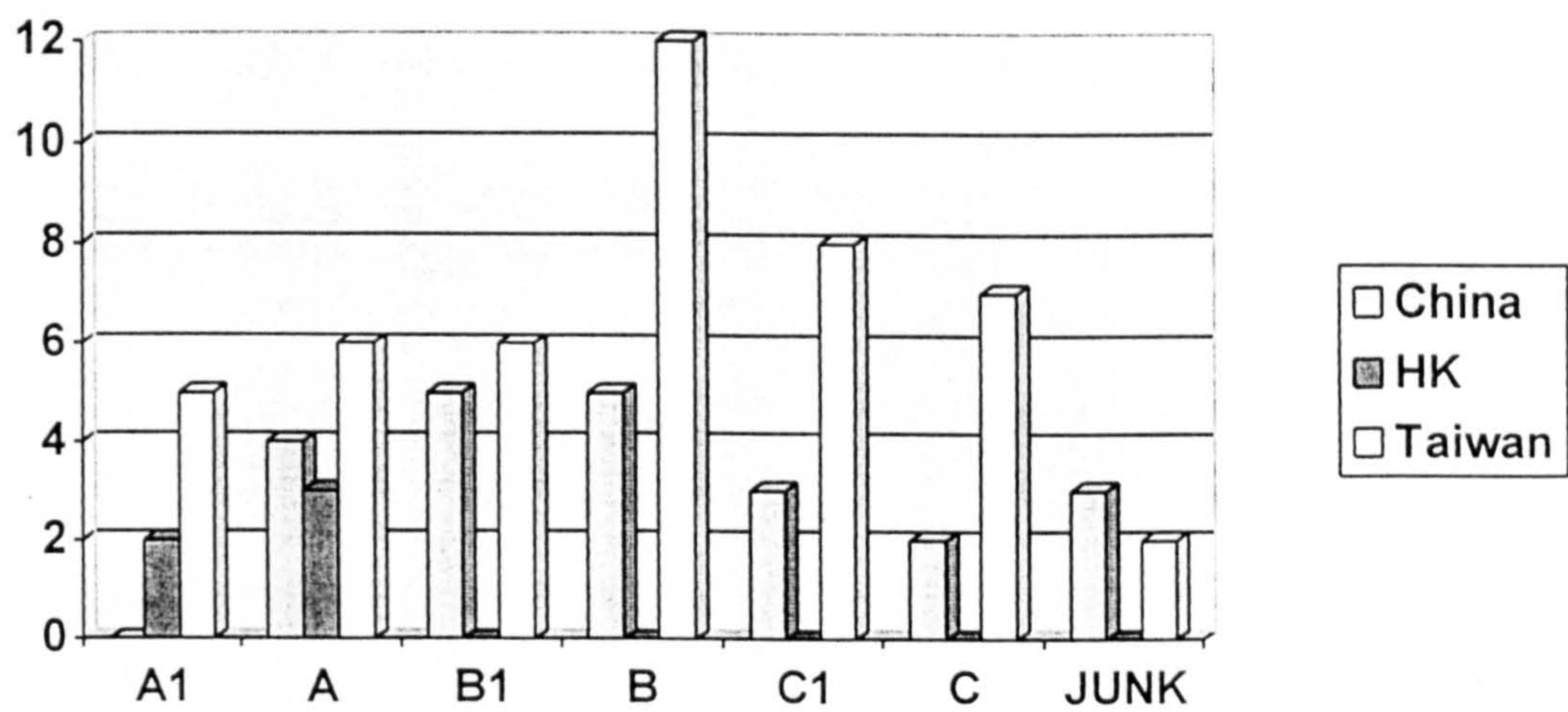
(fig.31) Gallery Specialistaion read as percentage of total number of galleries per territory in survey.



Key: AAM=Alternative art market, AG =Avant-garde art market, Junk=Junk art market

The survey has clearly indicated that Hong Kong has the greatest percentage of Avant-garde galleries and that Beijing and Shanghai’s market is locked into junk and alternative art market commodities. Taiwan’s offers a fairly broad selection of taste in both the main markets with the emphasis on the alternative art market. The reading is biased by the small number of readings for Hong Kong.

(fig 32) Share of Art Gallery categories (see Art Gallery Survey in Appendix 1) between Chinese, Hong Kong and Taiwanese galleries

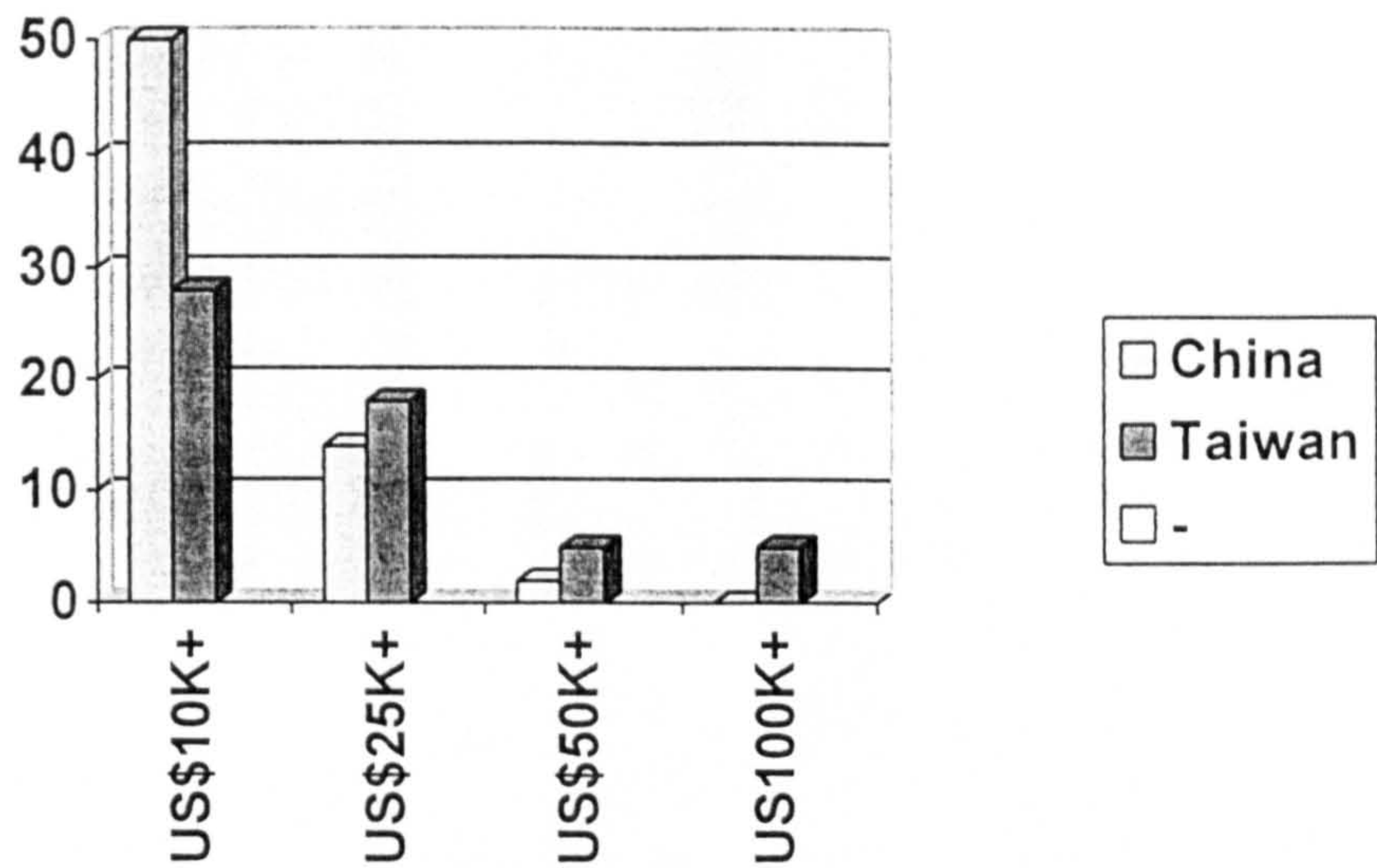


The break down in the quality of the galleries represented in the Gallery Survey and illustrated in fig.32, show Taiwan to have a preponderance of galleries of all standards, with Hong Kong occupying a dis-proportionate amount of A1 and A category spaces.

The galleries were evaluated according to the following criteria. (For an in depth examination of these criteria see Chapter 2)

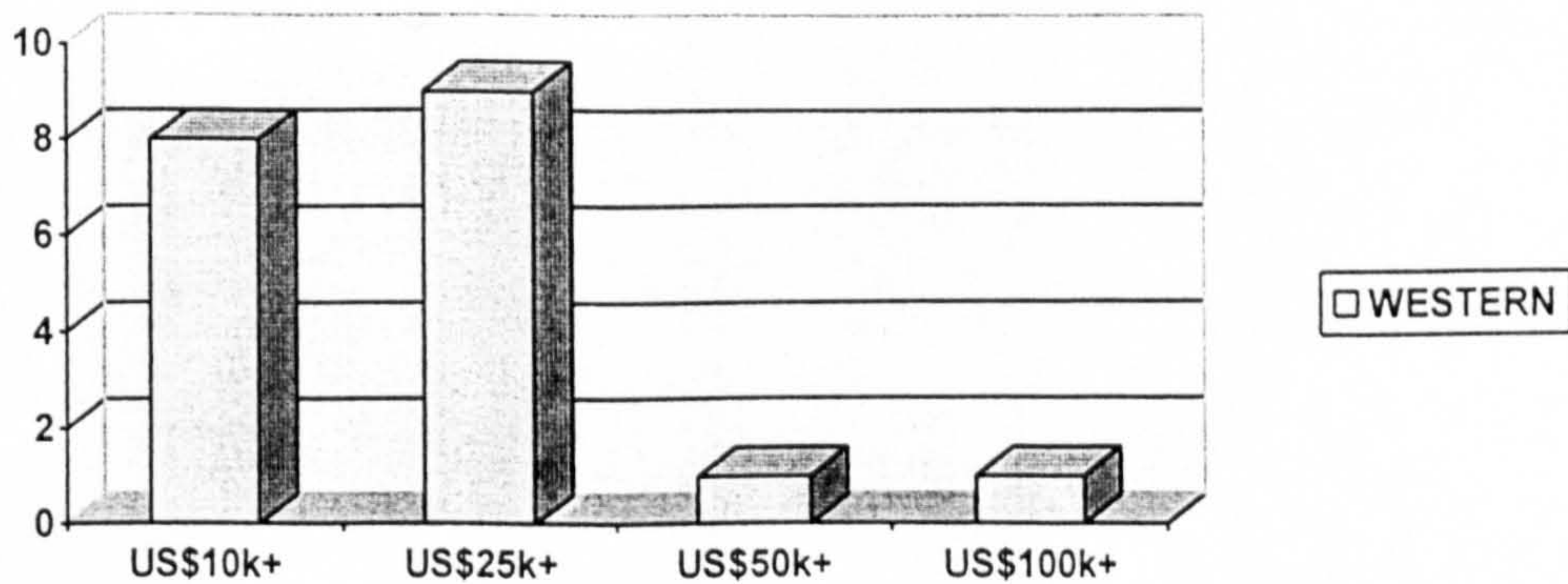
- Whether it is a trend-setter, and can initiate or, at least anticipate the next shift in the market.
- Whether it achieves international or top prices for its artists
- How effectively it promotes the work of its artists, locally, regionally and internationally
- How professionally the work is presented, in terms of the quality of space, exhibitions and written material.

(Fig 33), Select auction house results for Taiwanese and Chinese artists from 1992-1999 (see Appendix 2 - auction house prices)



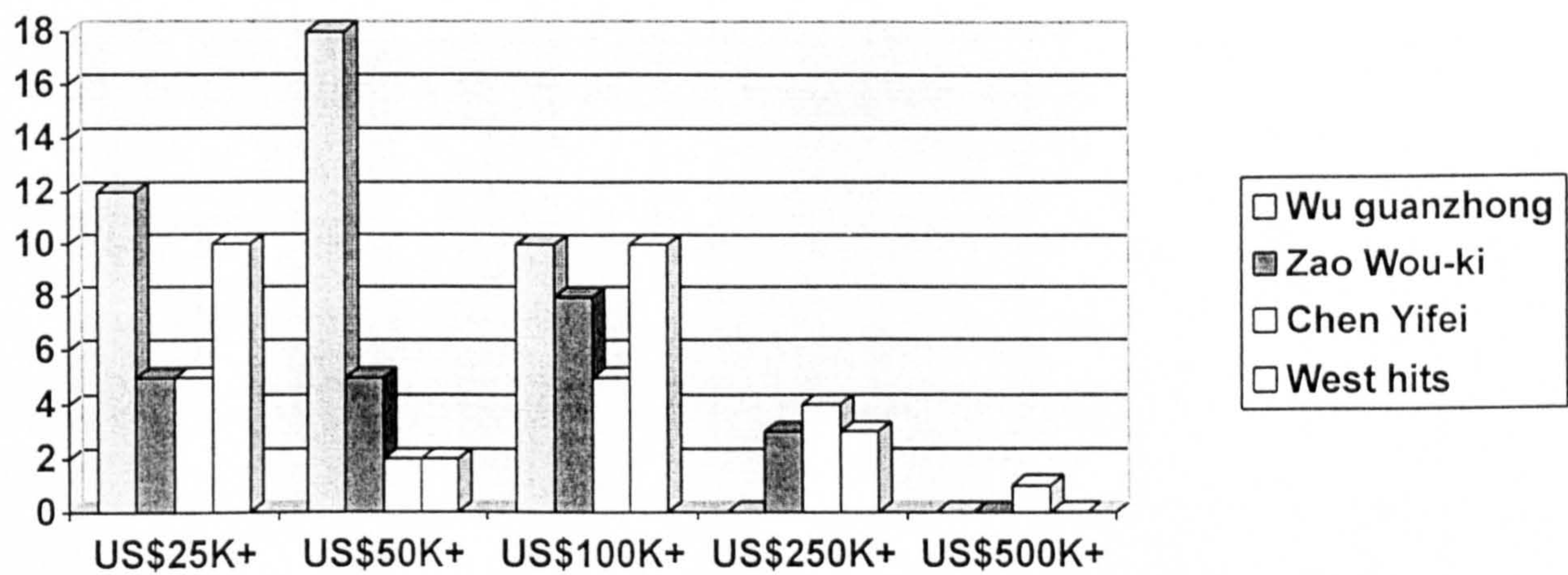
It is evident from this survey of 321 prices taken between 1992 and 1999 and illustrated in fig.33, (see Chapter 2 for basis for selection of auction house prices), and excluding the three great names of contemporary Chinese art, who are all Chinese, that contemporary Chinese painting is sold for lower values in greater quantities than equivalent Taiwanese artworks.

(Fig. 34) Single Auction house result for Western contemporary artists in 1998



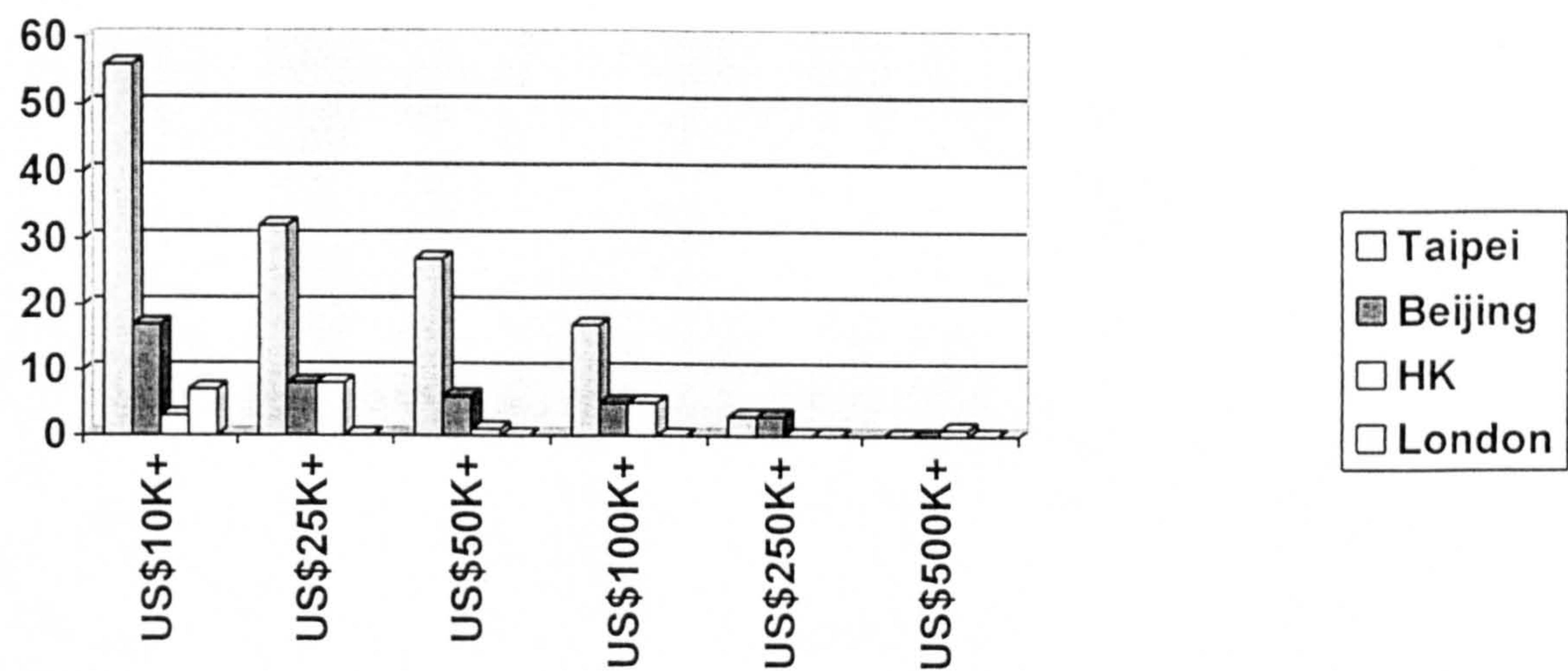
The small but representative sample of prices of Western contemporary artists at auction (see Chapter 2 for basis for the selection of this auction) and illustrated in fig.34 has revealed that Western avant-garde artists have attained, on average, a greater percentage of prices over \$25,000 than the Chinese equivalents, although considerably less than these equivalents at over \$50,000 and \$100,000 levels

(fig 35) A sample of Chinese contemporary art market star price levels, in a series of auctions in the 1990s, compared to a sample of Western art market star prices at Christie’s London auction in April 1998



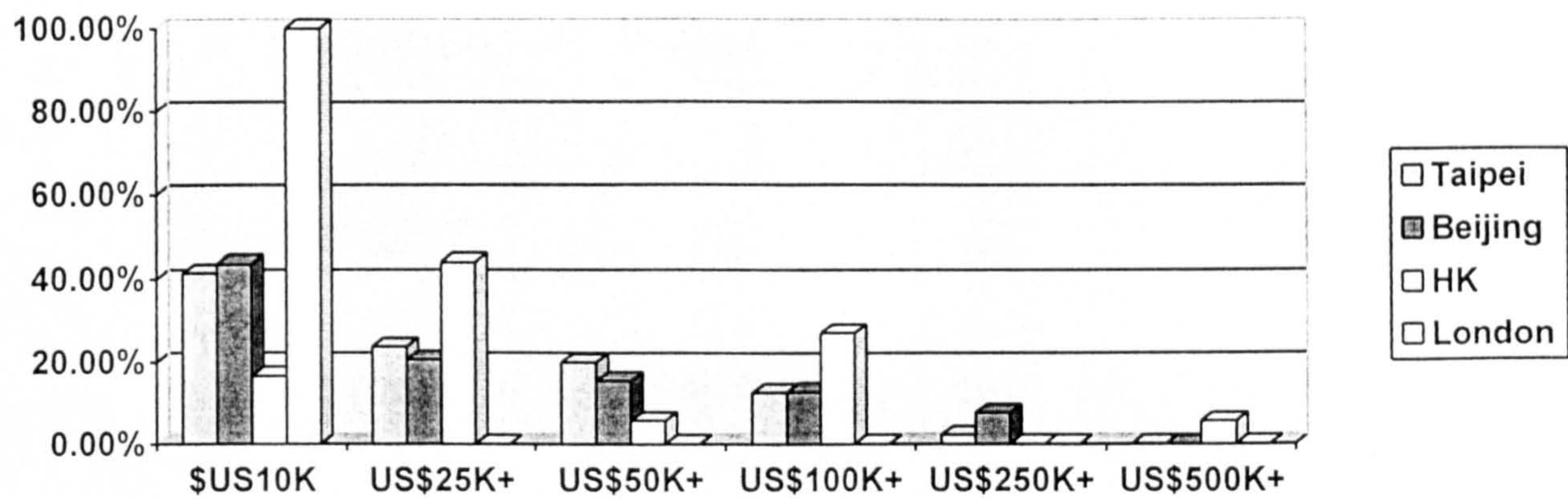
The three great price makers in Chinese contemporary art are Chinese: Wu Guanzhong, Zao Wou-ki and Chen Yifei. When a sample of their prices from the international and local auction houses is matched to the values attained by a sample of Western contemporary, avant-garde, international art market stars at auction in London, the strength of the highest valued contemporary Chinese masters is demonstrated as illustrated in fig.35. (See Appendix 2 for break down of auction figures). Chen Yifei out-prices the most expensive Western avant-garde art market stars and Zao Wou-ki competes favourably with the Western stars

(fig.36) Auction house results measured by location: Taipei, Beijing, Hong Kong, London



The place of sale also determines the likely price range for a work of Chinese contemporary art. London auction prices for contemporary Chinese art (drawn from one auction- see Chapter 2 for explanation of selection of auction) all fall below \$25,000 as illustrated in fig. 36. Proportionally, Beijing and Taipei would be as likely as each other to attract work between \$10,000 and \$100,000. Hong Kong is the most likely to attract prices in excess of \$100,000 and the only place, to date, able to attract a price in excess of \$500,000. By far the greatest bulk of work falls below the \$50,000 level.

(fig.37) A proportionate percentage breakdown of the price ranges of artworks in Taipei, Beijing, Hong Kong and London.



A proportionate percentage breakdown, as illustrated in fig.37, of the price ranges attained in these four cities, has revealed that; Hong Kong and Beijing are more likely than Taipei to record price levels in excess of \$100,000, but that Taipei was the centre for artworks between \$50-\$100,000

Closing remarks on the statistical analysis

These statistical analyses show that Taiwanese artworks, across all markets, attained proportionally slightly lower levels of price than avant-garde Western contemporary artworks, and that Chinese contemporary artworks fared worse than either.

Two great Chinese contemporary art price achievers, Zao Wou-ki and Chen Yifei, fared as well and better, respectively, than Western contemporary avant-garde stars (see Appendix 2 for selection of artists), although Wu Guanzhong fared rather less well than his two contemporaries.

Taipei may dominate the gallery scene at all levels, but its reluctance to become an international art market centre has allowed Hong Kong to dominate the heights of the

auction market. Beijing's parity with Taipei is testimony to the effectiveness of China's indigenous auction houses, and the city's ability to attract a regional and international buyer. The market in China and Taiwan leans heavily towards the alternative art market. Hong Kong is the only one of the three markets in which avant-garde art is the driving force, and this reflects its international status.

Taipei may be the most attractive regional art market for Chinese and Taiwanese contemporary artwork, but its reluctance to internationalise has impeded its growth in terms of prices achieved at auction. This has left Hong Kong and Beijing as the two most likely cities in which the new record for a work of contemporary Chinese art might be set, and has lowered the ceiling price for a piece of Taiwanese contemporary art.

Chapter 5. The value of criticism to contemporary Chinese art.

Critical essays in the catalogues of contemporary Chinese artists have, I will argue, helped to define two of the markets under discussion, the avant-garde and the alternative, and to distinguish the one from the other. These essays have highlighted a distinction between the ambitions of the two sets of dealers, avant-garde and alternative. Criticism has played little part in the junk art market.

This chapter will focus on a number of issues: the sentiment expressed in both types of market as expressed in catalogue essays, the consistency of the language in the two markets across the three territories, and the nature of the critical relationship between the main commercial sectors and the not-for-profit sector.

I have mentioned the importance of the coming together of the commercial and not-for-profit sector taste in chapters two and three in the creation of value in the avant-garde art market. I have pointed out in chapter three that support from the not-for-profit sector for avant-garde art was an important in enhancing the value of that artwork. The fact that China's contemporary avant-garde art and to an extent Hong Kong's do not receive not-for-profit sector support is a major reason for a flattening of prices for these artworks (see Chapter four). I have also suggested in chapters two and three that a global hierarchy of taste exists in the avant-garde art market, and that the provincial nature of the Taiwanese art market, in particular, has compressed price levels for this commodity. The fact, therefore, that the language and sentiments of the commercial sector catalogue for the avant-garde market bears comparison with that of the not-for-profit sector is significant.

It is also clear that despite not-for-profit validation of commercial avant-garde artwork, alternative art market artworks still command high prices (Chen Yifei is the highest priced contemporary Chinese artist). Value is, therefore, not simply a matter of not-for-profit sector validation. The size of the artwork, the materials used, the

perceived beauty or interest of the artwork in the eyes of the prospective buyer all contribute to the final value of the individual artwork. These issues will not be discussed in this chapter, since it was felt that the first two were self-evident and the last too subjective.

The education and age of the artist is not discussed, but the details of both are recorded next to the artist's name throughout the chapter. The impact of both these conditions was, however, seen to have a minimal impact on the artist's chosen market or his value, evidenced by the wide range of ages and different nationalities in both markets.

It is not possible to demonstrate, incontrovertibly, that there is a correlation between critical essays in contemporary Chinese artwork catalogues and resulting value, but there is clearly a special relationship between critical writing and marketing in both commercial sectors. Since the function of a commercial gallery is to maximise its profits, the function of a commercial gallery catalogue, it is argued, is to promote the work of its artists to specific buyers identified by the gallery. The two distinct types of buyer have already been identified by their desire to avoid or embrace risk. It may not be possible to demonstrate the degree by which critical writing raises the value of the artwork, but there is clearly a special relationship between critical writing and marketing in both commercial sectors.

The contemporary Chinese artworks and artists in the last decade of the twentieth century have been looked at in some detail and depth by a number of writers. (Sullivan,1996, Tregear,1997, Clunas,1997, Barmé, 1999). The greatest source and diversity of information is, however, to be found in the commercial gallery exhibitions (Exhibs. 2, 3, 4, 8, 21, 26, 28, 30, 39, 43, 46, 47, 57, 61,64). In catalogues (Cahill, 1996,Cameron, 1997,Chang Tsongzung, 1986,1993,1994 a, b, 1995,1996, a, b, c, 1999, Chang Yuan-chien, 1997, Chen Chingshan, 1997, Chia Chiwang, 1994, Chen Xiaoxin,1995, Cooper, 1999, Fan Jingzhou, 1994, Feng Bin,1997, Hou Hanru, 1993, Hsiao Chiungjui,1995, Huang Haiming, 1992, Jia Xinmin,1998, Leng Lin, 1995 a, b,1997,Huang Kuan-nan, 1993, Jose, 1995, Li Chuansun1994, Li Xianting, 1994,1997 a, b, c, Lin Hsingyueh 1993, Lu, 1993,1994 a, b 1997,1998 Robertson,1996, Li Chuansun, 1994, Li Shaowen, 1994, 1992, Li Xu, 1994, Lin

Hsingyueh,1993, Lin Mu, 1998, Lu Hong, 1998, Lucie-Smith, 1998, Sun Lichuan, 1992, Wu Liang, 1997, Xu Hong, 1999, Yi Ying, 1997, Zhong Tongyue, 1996, Zhu Qi, 1999, Walt-Thompson, 1998 a,b,1999,a,b, Wang Lin, 1997, a, b, Wang Qi & Ruhrberg, 1997, Sullivan, 1992,1997,1999,Yi, 1997, Cao Yiqiang,1997). The result of studio visits (Visits.1-32). It became apparent from an examination of the huge amount of critical material available that two quite distinct types of criticism in commercial gallery catalogues were marketing the new artwork at two specific types of buyer: those with a tendency towards risk-aversion and those who were risk-neutral. The fact that the sensibilities and themes discussed in the catalogues of avant-garde galleries and commercial art fair catalogues bore striking parallels to not-for-profit sector catalogues confirmed a coming together of these two sectors.

The impression that is left after reading the essays in catalogues of contemporary Chinese art is that there is a marked divide between aesthetic complacency and aesthetic vitality, and that these attitudes have determined the artist's market of choice. In the broadest terms, and as the descriptors suggest, aesthetic complacency is most closely associated with risk-averse artwork and aesthetic vitality with risk-neutral artwork. This does not imply that an artist in the avant-garde market needs to be a chameleon. There are, in fact, risk-averse artists, notably Chen Yifei, who refine their style and choose new subjects in order to feed their markets. It implies that the artist must respond to aesthetic developments on the international art market, rather than relying only on local or regional innovations.

A critical look at Chinese risk-averse contemporary artworks

The influential avant-garde Chinese critic, Li Xianting, has referred to the so-called 'Rational' painting of the mid 1980s, as a reconstruction of reality based on Western 19th century models. Yin Shaungxi has described it as:

"..depicting Chinese life and expressing Chinese values with Western techniques" (Yin 1997,p.35)

The artist, Li Xianting insists, was interested in the suffering of the under class (*xiaokujiu*) and the new concerns acted as a counterbalance to the Communist slogans of the Mao years such as "Red, bright and luminescent" (*Hong, guang Liang*) and

“strong, brave and beautiful people”(*Gao da quan*). It was Luo Zhongli who produced the most memorable and influential image concerning the ‘suffering of the underclass (*xiaorenwu*). His gigantic and meticulously oil painted head of a worker, ‘Father’ (1980), became an icon for the Neo Realists and Realistic painting in general, displaying all the necessary characteristics for the demands of the time. The work is simple and unaffected (*Zhipu*) and deals with the plight of a peasant. Sullivan has said it “launched the new Sichuanese school of Superrealism”(Sullivan, 1996,p.227). Luo went on to produce a series of canvases in the same style between 1980 and 1982. Three years after ‘Father’ he produced ‘Father II’ with greater technical smoothness and a more calculated effect of light and shade (Sullivan, 1996). His ‘Mother and Son’ was estimated at Christies HK on 3rd Nov 1997 to be worth HK\$ 200,000 – 250,000 (\$28,571 –35,714).

Li Xianting’s less than wholehearted appreciation of this type of Realistic artwork is shared by another avant-garde Chinese critic, Yin Shuangxi (for a definition of Realist and Realistic painting see Rosen & Zerner, 1984, pp.224-226). He comments on Realistic oil painting:

“...Paintings of this style quickly became a trendy formula with a multitude of superficial realistic paintings produced to photographically depict the antiquity and suffering in China’s rural areas.... Due to the special favour works of realism enjoyed in the art market (particularly for Overseas Chinese in South East Asia) paintings of academic realism were gradually reduced to a formula that only satisfied middle classes and had become distanced from life” (Yin, 1997,p.35).

Yin’s reference to superficiality and a reduction to a formula in order to satisfy middle class taste particularly overseas Chinese in South East Asia – in a reference, perhaps, to the high bids placed at auction by Indonesian Chinese for Chinese Academic oil paintings – was clearly intended to denigrate the ambitions of both artists and buyers in the alternative art market.

The artists who operated in this market in the 1990s are predominantly from China. Chen Yifei (Exhib.42) is the most economically successful practitioner of risk-averse artworks in China, and the claims for his work are therefore significant: Yu Qiuyu has said:

These include a strain of romanticism, a rugged sculptural boldness of drawing, and the ability to eliminate detail in the interest of essentials. At one glance, many critics abroad have quite aptly identified Chen's style as 'romantic realism.' (Yu Qiuyu and Ruhberg, 1996).

Karl Ruhberg who has attempted to locate Chen in between the two distinct markets backs up the focus on the artist's technical and pictorial concerns:

"Chen Yifei's subjects, his recent paintings of female musicians, are mostly East-Asian in origin. The traditions of naturalism behind his execution reflect his years of meticulous study of Western painting.... After decades in which fashion has vacillated between the avant-garde and a somewhat tired, poignantly atavistic post-modernism, such a particular style at the end of the century (and at the end of the millennium comes at an opportune moment to attract a wide audience." (Ruhberg, 1996,p17).

Strictly speaking, the catalogue in which these essays appeared is a not-for profit publication, since they accompanied exhibitions of Chen's work in the Shanghai Museum and the China National Museum of Fine Arts in Beijing. In truth, the catalogue and exhibitions, which were wholly financed by Marlborough Fine Art, did not take place in the not-for-profit institutions that I identified in chapter two as being important validators of avant-garde taste.

The commercial gallery exhibition of Chen's artwork at Marlborough Fine Art's gallery in London in 1997 (Exhib.30) consists of a commentary very similar to the catalogue entry for the Beijing show. Nick Wadley writes:

" Behind all art training in China, there lurked the emotion that great art was European nineteenth century realism. Chen was not unusual in aspiring to the forms and values of Millet and Barbizon painting." (Wadley, 1997).

This appeal to the tried and tested (blue chip) artworks of the past extends to the avoidance of contemporary controversy:

"In America, he painted desirable Western life, the attractive people and objects of a stable cultured society. Back in China for much of the time since 1990, he has painted sensitive landscapes, and picturesque scenes of the decadent life of Shanghai in the 1920s and 1930s" (Wadley, 1997).

Critic Liu Xiaochun, (Cahill et al, 1995) writing for the Hong Kong dealer, Shoeni, makes an attempt to group risk-averse artists together under different themes, but complicates the breakdown by mixing risk-neutral artists artwork with that of risk-averse artists. The artists he groups under 'rational style' such as Ai Xuan, Wang Yidong (Exhib.89)(Illus.24) and Yan Feiyun belong to the same market, even if they paint in different ways and he is right to suggest that the representative figures from this movement are Chen Danqing, Luo Zhongli and Jin Shangyi with their roots in the Lu Xun Academy. But, to introduce the work of abstract artist Wang Huaqing (b. 1944, educated at Central School of Art) into the same group, on the grounds that Wang's use of pale shadows to make his objects stand out denote Rationalism, is confusing. Surrealism, one of the themes he identifies is appropriate for a type of risk-averse artwork, such as paintings by Xu Mangyao (b.1945, educated, Zhejiang Academy of Fine Art). Neo-Objectivism, which seeks to encapsulate risk-neutral elements, such as the cynical realism of the avant-garde and the technical accuracy of the neo-realists, is a loose grouping of young artists working throughout China.

To group artists like Fang Lijun, Liu Wei and Zeng Fanzhi (illus.25), all of whom are dealt in by avant-garde dealers, with realistic oil painters such as Xia Xing is a poor piece of categorisation. The section on Magic and Transformation sought to mix the work of avant-garde artists like Zhang Xiaogang and Li Shan with artists approaching the alternative art market. The sentiment common to them all is weakly described as "a perceptively magic feel" (Liu 1995,p.39). The same fault lies with his Abstract Impulse grouping, in which the avant-garde Shanghai artist, Ding Yi (illus.26), is placed alongside a host of alternative art market artists. An explanation for this type of categorisation by a, primarily, alternative art market gallery can only be found in the gallery's attempt to include its stable of artists in the current avant-garde discourse on art in China. Liu Xiaochun's efforts to draw artists from two different markets together using redundant and inappropriate definitions is an example of an attempted integration of alternative art market artwork into the avant-garde mainstream.

The appeals made for the work of Huang Zhongyang (b.1949, Guangzhou, Academy of Art)(Exhib.34)(illus.27) - a Chinese artist with an exhibition in Imavision gallery in Taipei, is an appeal to nostalgia and sentimental beauty. Huang's series of paintings are of imagined events in the life of The Dowager Empress, Cixi.

Chen Ching Shan writes, after surveying the historic events of Cixi's reign:

"It can be said that Huang Zhongyang used history as material and Cixi as an art symbol in creating his art... One may conclude that it is precisely this deep profound meaning that sets Huang's series apart from other common popular paintings in the Realist style." (Chen & Gao 1997, p.9)

Chen has acknowledged that the Realist (realistic) style of painting is a broad and popular market and has attempted to create a niche for Huang's painting within the alternative art market in the manner of Chen Yifei's writers. He has not, like Liu Xiaochun, attempted to combine the taste of two markets into one construction.

Jia Xinmin, writing on the work of Xia Xiaowan (b.1959, educated Central Academy of Fine Arts) (Exhib.51)(illus.28) for Shoeni, returns to a theme, which the avant-garde market makers use to great effect in their marketing of artworks. He states:

"During the artistic movements that rolled with great force in the late 1980s, Xia Xiaowan did not choose to follow fashion. Instead, he headed to a moral responsibility to the self and in born focus...he depicts his innermost feelings, his joys and anxieties." (Jia Xinmin, 1998)

This alternative path that Jia has suggested Xia has taken is in opposition to the mainstream avant-garde.

Lin Mu describes Huang Shan's (b.1959, educated Sichuan Art Academy) (visit.24) (illus.29) artworks, exhibited by Shoeni, as being: "Gongbi, elaborate and realistic style in portraiture art". (Lin, 1998,p.6). Lin makes a number of claims for Huang's artwork. He suggests that Gongbi, with its strict technical requirements, is becoming the dominant form of realistic painting. Lin focuses much attention on the technical achievement of the work:

"The hand is another proportion which Huang Shan places great emphasis on. The complicated hand images are contoured thin strokes in the lightest colours, with some slight decorations to make their structure and form stand out." (Lin, 1998, p.7).

Huang's depiction of 'Young Metropolitan girls' is described as:

“..beautiful, fashionable and full of vitality and a youthful spirit. They have modern T-shirts, smart blouses and suits, small and exquisite shoes as well as fashionable hair styles” (Lin, 1998,p.6).

The combination of a great technique and the depiction of reality are highlighted by Lin, suggesting that these are two of the most important elements in the marketing of this type of artwork:

“Huang combines modern realism, even hyper-realist technique, with the special characters of traditional painting, plane, fiction and abstraction.” (Lin, 1998,p.7).

The work of one Taiwan artist whose artwork is traded in the alternative art market is Dr.T.F Chen (illus.30). Chen’s wife, Lucia, has written about his artwork and described her artist/husband as the “initiator and champion of neo-iconography” (Chen.1993, p.2).

An extraordinary amount of claims are made for Chen by his wife:

“Dr Tsing-fang Chen (b.1936, educated at National Taiwan University) is regarded by a growing number of collectors and critics as one of the twenty most influential artists in the world today.” (Chen, 1993,p.2).

Chen also draws on other critics who have written about her husband’s work. Ed McCormack is quoted as having said in Artsspeak, in April 1989, that Dr Chen:

“ Unlike other artists who ‘appropriate’, Dr T.F Chen, a scholar, a philosopher, and a veritable 'school unto himself, creates powerful, highly original paintings that stand on their own as major works in their own right.” (Chen, 1993,p.4.)

The claims for Chen’s art may appear inflated but the impact of Chen’s art on the local Taiwan art market is extensive, with former president, Lee Denghui a collector of the artist’s work.

A critical look at contemporary Chinese risk-neutral contemporary artworks

The 'New Art from China - post 1989' exhibition which opened in London at Marlborough Fine Art in 1992 was interesting from the point of view of the market on three accounts. Firstly, Marlborough Fine Art diversified into the avant-garde, albeit in the secondary market, and secondly, serious commercial recognition was about to be accorded the 'new' avant-garde artists out of China. Thirdly, the exhibition also travelled to the Museum of Modern Art in Oxford, linking commercial to not-for-profit sectors. The Marlborough / Hanart joint catalogue, accompanying the show, sub-divided the work into 'isms' which are worth recording, since the work of these artists and the Movement known as 'Political Pop' is now a significant part of the contemporary Chinese art coda. (Exhib.3) (Chang, 1993).

'Political Pop' exhorted, according to curator/dealer, Johnson Chang in 1993:

" The general air of anti-idealism, or perhaps more precisely a conscious lack of idealism, that results in an indulgence in the realities of the present, whether this be the visual realities of mass-media culture or the everyday realities of mundane life" (Chang, 1993, p.7).

Chang also uses the catalogue to expound his very clear views on the ills of the Communist government in China, and to a very large extent presents the work of the Political Pop artists as weapons of protest against the Communist Party. The politicised nature of the criticism of this work sets it apart from the work in the alternative art market (Int. 153).

" With Mao's series of political movements and purges nothing much remains of most Chinese people's personal history. Having now shed the burden of ideology it has become possible to review this past, if only in jest and cynical glamorisation. Cheeky and irreverent, Political Pop art establishes contact with history and re-interprets China's icons." (Chang, 1993,p.8)

Chang is not alone in his condemnation of the Communist authorities. Writing in Hanart's major sequel to the 1993 show, 'Reckoning with the Past' in 1997, critic, Yan Sanchun, notes that avant-garde artist, Zhang Xiaogang's, portraits are a reflection on the importance of protecting the individual through the extended family. The Communists during the Cultural Revolution (1966-76) ruthlessly exploited this system, Yan states, for political ends.

Li Xianting added his confirmation that the movement had joined the avant-garde in his catalogue introduction to the Sao Paulo Biennale in 1994.

'Political Pop', he stated, actually emerged in Eastern Europe in the late 1970s and was not employed in China until the late 1980s. He characterised the new movement as:

"The adoption of a satirical Pop approach in the treatment of icons of Western commercialism and political images of Socialism. Political Pop can be regarded as a spiritual symbol of the era when the Cold War was drawing to an end, for it represents how the forces of Western commercialism penetrated the ideology of the Socialist camp, and created in the minds of the artist a unique sense of political absurdity" (Li, 1994, p.6).

Chang highlights the work of Wang Guangyi, (b 1958, educated at the Zhejiang Academy of Fine Art) (illus.31), whose take-offs from 'Political Propaganda' art produced in industrial oil paint, identify him as a leading member of the grouping. Chang declares in the Sao Paulo Catalogue:

"Perhaps no artist in China has a better grasp of the politicised nature of contemporary Chinese culture than Wang Guangyi." (Chang, 1994, p.10)

In 1987 Wang painted a rigid grid pattern over the Mao icon "to serve as a filter over this over-heated image" (Li, 1994, p.7) and dissected Western consumer goods juxtaposing them with images of the Cultural Revolution. 'The Great Criticism' and 'Picture Calendar' - a memorial to Russian Communism - were according to Li Xianting, Wang's answer to the culture of the 1990s. Wang, the critic explains, has juxtaposed Cultural Revolutionary icons and Western consumer goods, an ironic use of Communist symbols, to disparage Western consumer goods. His work coincided

with the nostalgia for Mao in the late 1980s - 'Mao fever', and Wang's work became contemporary social comment.

"The difference between 'Political Pop' and 'Mao fever' is that the former is an artist's conscious creation, while the latter is an unconscious reaction brought about by the tidal wave of commercialism." (Li, 1994,p.9).

Li's attempt to purify the work of these avant-garde artists from the commercialism of Mao fever by suggesting that the former was a conscious decision, while the latter was an uncontrolled reaction, suggests that the avant-garde artist is in control, not only of his destiny, but to some extent can anticipate cultural, and, indeed, societal trends.

According to Li Xianting, 'Cynical Realism', a term he used to encompass the avant-garde art that emerged out of 'Political Pop', was the first step towards genuine realism, an eye-level account of the mediocre and the boring. In Fang Lijun's (b.1963, educated, Central Academy of Fine Art) 'Water' series, Li has argued that the artist has taken the realism of 'Cynical Realism' and replaced it with speechless shell-shocked, delinquent youths (Li, 1997).

'Political pop set a new agenda for artworks in China. In the words of Li Xianting:

"The reaction of many was to turn against the heroism, idealism and yearning for metaphysical transcendence that characterised the 80s art movements, and to turn instead to their antithesis: an immersion in popular culture and a deconstructionist approach that, for several of these artists, resolved itself into the Political Pop style." (Li, 1994,p.5).

Li was even so bold as to suggest that 'Political Pop', influenced as it was by the American Pop Art exhibition in Beijing in 1985, had a revolutionary zeal and historical perspective that its American forerunner lacked (Li, 1994). This is high stakes criticism, and a sign that the ambition of the new avant-garde in China is very great but also very pragmatic. Li's assertion, although debatable, was not undefendable. Li was clearly trying to find a special niche for the Chinese version of Pop, which might have been considered, after all, just another form of Pop Art.

By the mid-1990s, Political Pop was widely believed by the market to have run its course. It was left to critics like John Clark writing in the catalogue of a Hanart exhibition, 'Reckoning with the past', in the not-for-profit Fruitmarket Gallery in Edinburgh and Cornerhouse Gallery based in Manchester, to cast doubt on the continuing value of Political Pop paintings.

"Non Chinese audiences have now had some time to consider whether the post-Mao Political Pop art introduced abroad was a cynical 'non'-political use of Mao's image as a popular icon, mediated to overseas art market. Alternatively, was it fulfilling a comment on the past within a re-deployed series of modernist styles from Euro/America, which could now be mastered more fully as 'Chinese' discourses than in the 1980s." (Clark, 1996,p.47).

In the process of dismissing the relevance of Political Pop, Clark announced the arrival of a new type of artwork, which had grown out of Pop Art, and which had itself grown out of Protest Art of the 1980s. 'In the Reckoning with the Past' catalogue a new set of aims and sensibilities were defined (Exhib.28).

The 'Wounded Spirit' and 'Emotional Bondage' took the Romantic theme from Protest Art of the 1980s but used it, according to Chang, in a contemporary way:

"In the 90s, the mark of heroic defeat and the wounds of loss and betrayal have become progressively darker and more dominant" (Chang, 1996,p.7).

Zhang Xiaogang's (b.1958, Sichuan Academy of Art) artwork is represented in the 'Reckoning with the Past' catalogue (1996) as suggesting a feeling of helplessness, a recurring and powerful theme in the work of risk-neutral artists in the late 1990s in China. This tendency is also observed by Li Xianting in the work of Zeng Hao (b.1963, educated Sichuan Academy of Art)(illus. 31) –"He is estranged from what he observes." (Li Xianting, 1997,p.2). However, this view is confounded by other sensibilities which Chang observes in his essay for the same catalogue. Whimsy and light-heartedness have, Chang suggests, replaced the serious cynicism of 'Political Pop', although it is impossible to ignore other themes such as detachment, isolation and loneliness. Contradiction aside, the seriousness of these themes or sensibilities cannot be disputed. A characteristic of avant-garde criticism in China is a

concentration on weighty emotions and a constant re-assessment of the perceived *zeitgeist*.

A distinctive change in the terms used to describe Political Pop and the work that grew out of it is the replacement of an 'ism' for a 'sensitivity'. This may seem a small point, but the 'sensibilities' which are slightly looser categorisations were a refinement on the simplicity and rigidity of an 'ism'. Chang, in refining the categorisation of the 'new' artwork is also adding to it greater intellectual and aesthetic value – a value which is more likely to appeal to not-for-profit museum curators.

Zhang Xiaogang is marked out as an important artist in the avant-garde movement because of his appearance under many different 'sensibilities'. The artist's 'bloodline series' appears under the 'History and Continuity' sensitivity in the 'Reckoning with the Past' catalogue, again under the 'Human Vulnerability' sensitivity and yet again under 'Guilt and Identity Crisis' (Visit.19). Zhang's work that started out as 'Political Pop' is now accorded many qualities which, to a degree, have helped to set it apart from the work of other artists working in this market.

A new generation of younger critics in China are intent on highlighting the 'reality' those avant-garde artists reflect in their artworks. Leng Lin, writing in the Sungari auction catalogue (Leng, 1997), talks about the invention of a universal anti-hero; a 'Young Tom' created by the artist Zhang Gong (b.1959- educated Central Academy of Arts) (illus.32) who remains oblivious to the travails of his nation (Leng, 1997).

The capturing of 'reality' is highlighted in the 'Urban Personality and Contemporary art' catalogue of 1997, and in the work of another young critic (1997), Wang Lin, who says that the 1990s were characterised by the shift from country orientated subjects to the urban concerns. He groups these artists under the heading of Urban Realists; artists who have grown up and are living in the post 1979 Deng Xiaoping open market, in which material wealth, pollution, congestion, destruction of the past and social dislocation have become abiding artistic concerns.

The critical 'sentiments' expressed by Leng Lin and Wang Lin are endorsed in avant-garde catalogues by artists in statements about themselves and their work.

Feng Bin (Lin Mu, 1996) writes that:

"To the Chinese, the Word City is still not completely understood.

I have two stories:

In 1991 when my daughter was just born, we moved to a suburb of Chengdu. At that time, there were fields all around us except for a few buildings, and it was indeed colder than inside the city. I used to take my daughter walking in the fields, watching how flowers bloom, how the rice turned yellow and how barefoot farmers herded their cows. But in the last 5 years, the area has developed into Xiao Jiahe Community, which is filled with hurried people and a grey forest of cement... In 1984, the power station beside my school built a magnificent chimney. People were quite proud of it for it was the highest chimney in Asia. We are safe from pollution now. Dust will be blown to faraway places. It is still dusty, and when it rains, it is black rain. The vibration of heat waves in the background of the three gigantic chimneys comprises the eternal scenery of Huang Jiaoping.

The rosy Chinese dreams of modernisation turn out to be hurriedly built noisy, crowded and dirty cities. No blue sky, green trees or healthy air. What we have are cage-like skyscrapers squeezed together, bad copies of cement constructed buildings stuck with tiles and blue and brown glass. ...

We only require the pleasure of changing T.V channels, we dream of cars and houses. We can earn a fortune over night... and in our bourgeois pretension have blended sub-colonial and luxurious taste imitating Hong Kong and Taiwan." (Lin Mu, 1996).

There are many phrases for Realism in the avant-garde market in China: Li Xianting calls it: "cynical realism" and "ruffian and humorous realism". Gao Minglu "Existential realism", Zhang Xiaojun "cultural realism" and Yin Jinan "a focus on immediate surroundings" (Li, 1997), but the 'reality' has not been explained more accurately than by Feng Bin in the above extract.

In the 'Three Young faces' catalogue (1998), produced by Hanart, Lu Hong writes of the characters in the work of one of the artists, Zeng Hao (b1963, educated Central Academy of Fine Arts) as "Their blindness towards, and unknowing satisfaction with a shallow and empty life." (Lu & Li, 1998). Li Xianting writes of another of the artists in the catalogue, Shen Xiaotong (b.1968, Sichuan Academy of Art) (Visit

17)(illus.33), as “causing a feeling neither of intimacy nor of coldness; nonchalant, but not sad.” (Lu & Li,1998).

The intention that these two critics have attempted to describe is one of artistic engagement with but confusion at the ‘realities’ of life, specifically in China. Almost a reaction to ‘realism’ but still an engagement. This approach to realism is highlighted by another critic, Nicky Combs, for a exhibition of ‘Women’s portraits’ by the artist He Sen (b.1968, Sichuan Academy of Art) at the Red Gate Gallery in Beijing, for which she reaches similar conclusions:

“He Sen is using them” (women)” as representations of a society where people feel a loss of spirituality and have feelings of uncertainty.” (Combs, 2000)

The key, in terms of the marketing of the ‘new’ art, lies in the artist’s awareness and reaction to ‘perceived realities’.

The skill of the critic in describing the work of the contemporary artists in Shanghai is to differentiate their artwork from that of artists from elsewhere in China, but particularly from Beijing artists.

The critic Li Xu (1994) writing on the work of ShanghART artist Ding Yi (b 1962, educated at Shanghai Institute of Arts & Crafts) for an exhibition in the Shanghai Art Museum, emphasises the individualism of the artist:

“ Shanghai, does not have schools of painters but has more individuals with their own character. The avant-garde artists try to avoid any resemblance to each other, and try to develop their own style. Among them, Ding Yi is typical” (Li Xu, 1994).

The critic Bernd Smidt writing for ShanghART about the work of Ji Wenyu (b.1959, educated Shanghai Arts & Craft School)(Visit.90) draws out another distinguishing characteristic which is used to market the work of Shanghai artists to the corporate sector; the closeness to commercialism. According to Smidt, by stressing

“..cultural contact and the merging of commercialism and art.”...” As such, he offers a commentary on some of the pressing questions facing corporations today-how to structure communications between the corporation and the consumer”(Smidt, 1997).

The response of Dieter Ronte of the Kunstmuseum, Bonn to the work of Shen Fan (b.1952, Shanghai Light Industry Institute) (illus.34) and Qiu Shihua (b.1940, Xi'an Art Academy) is of interest because Ronte and his institution represent Western (international) institutional taste. Ronte says:

“ Both attracted our attention because the paintings chosen to represent them corresponded to European expectations of Chinese art, while at the same time, being very close to the European sense of form and feeling. (Wu Liang & Ronte 1996,p.13).

Ronte's assessment of the work is heavily conditioned by aesthetic developments in Western avant-garde, particularly in the 1960s, and the interest that was shown by Western artists in Eastern calligraphy (Weetgeest, 1996, Sullivan, 1973). Ronte's comment that Qiu Shi-hua's paintings -“clarify the secrets of the East, the search for the sublime, which need not reproduce reality” (Wu Liang & Ronte, 1996,p.14) is echoed by Johnson Chang when he writes of Qiu's work, “the faith in sublimity in nature held by Qiu Shi-hua finds the closest Western parallel in the Romantic artists” (Chang, 1996). Both passages were written at about the same time, and for non-commercial events, and demonstrate the closeness in sentiment of the critical languages employed by both commercial and non-commercial sectors.

The willingness to explain contemporary Chinese artworks, principally in relation to Western art, has been a feature of critical writing in catalogues in both the not-for-profit and profit making sectors. Hou Hanru writes for the exhibition at the Museum of Modern Art in Oxford, of:

“..The urgent need to construct a new critical framework in which it” (the artworks) “can be viewed: in this, the contributions of Chinese artists are as necessary as those from other cultures.” (Hou, 1993,p.6)

Furthermore, Hou asserts that in the light of exhibitions of this new art from China in exhibitions such as '*Les Magiciens de la Terre*' in the Pompidou in 1989 and at the 'Primitivism' show at MOMA in New York in 1984:

“ Chinese artists are becoming increasingly significant within this new climate of multiculturalism.”
(Hou, 1993, p.6)

Hou Hanru's comments can be seen as a cynical marketing exercise, focussing on the need for a revision of the art market's mechanism, in order to accommodate the avant-garde artworks of a developing society.

The attempt to shape markets is something that one associates with the commercial sector and the London dealer, Michael Goedhuis, states his case more clearly than most:

“ Broadly speaking there are four main tendencies in Chinese art today. First is the strenuously conservative backlash, which sees salvation in adhering ever more tenaciously to the great classical traditions, with just the occasional meaningless nod in the direction of modernism. Then there is the vast factory of artists trained in Western social –realist oil painting in the Maoist era to disseminate propaganda, who now use their undoubted talents to produce distant subversive political statements. This group has recently become fashionable in the Chinese Diaspora – Hong Kong and Taiwan..... Thirdly, there is an avant-garde movement which has annexed much of the more provocative work of the Western cutting edge without having truly assimilated the conditions in which it is being produced. And finally, there is a minority of artists, who see themselves as re-animating those elements of Chinese painting that, together with a multiplicity of other influences, can now best convey contemporary reality in all its accelerating and confusing complexity.” (Goedhuis, 1998).

He expands:

“ At the beginning of the 20th century, it could seem that Chinese painting (*guohua*), except perhaps in Shanghai, was a dying tradition, feeding upon itself. Many artists and critics thought that it could only be revived by a strong infusion of Western realism and techniques. A handful of other gifted modernists have shown that by reaching back into the very roots of the Chinese aesthetic tradition, and combining this rediscovery with imagination, feeling and a mastery of the discipline of the brush, the *guohua* tradition has, with very little stimulus from Western art, been reborn, and its future development into the 21st century assured.” (Goedhuis, 1998).

Putting aside the very different types of art involved, both Hou Hanru and Michael Goedhuis have attempted to define their particular forms of avant-garde contemporary art within the context of the international market. Goedhuis has, in addition, attempted to differentiate his gallery's work from the risk-averse oil painters – I do not think he is referring to junk art - as well as risk-averse, traditional type art, which he calls a conservative back-lash. The overt promotional nature of this form of criticism, in both not-for-profit and commercial sectors is unusual and not as subtle as Ronte and Chang's approach. Nevertheless, judging from the price Goedhuis attains for his artists it is effective (see-chapter 4).

A critical look at Taiwanese risk-neutral contemporary artworks

Despite Taiwan's very different cultural background to China's (Lu et al, 1999, Chang, 1986, Barmé, Jose et al, 1995), the shared sensibilities between not-for-profit and profit-making sectors are evident from catalogue essays written for public sector museums and commercial galleries. The marketing strategy of the avant-garde dealer in Taiwan is different from his Chinese counterpart to the extent that the political reality is different.

Germie Barne's comment in the catalogue for the exhibition of contemporary Taiwanese art in the Museum of Contemporary Art in Sydney encapsulated the agenda for the avant-garde in Taiwan in the 1990s. He suggested that the island's future pointed towards a future of pure materialism, of narrow and national social goals, but also to pragmatism (Jose et al, 1995). Jose's "narrow social goals" (Jose et al, p.34, 1995) were tempered by Huang Haiming's comments suggesting that these goals were moderated by an interest in international cultural concerns, manifested in kitsch and consumerism (Jose et al, 1995,p.36). Perhaps unwittingly, both critics have described the state of Taiwan's art market is a local market with international aspirations.

In similar ways to critics operating in the Chinese avant-garde market, the Taiwanese critic, Victoria Lu, attempts to create a niche for avant-garde artworks created outside the West. She does so by declaring that the art market will, in the future, fragment,

and regional and local centres will become progressively important. Lu could be said to be alluding to a possible consequence of globalisation – the re-locating of power outside the traditional core centres (Giddens, 1986).

“In the coming decades one can expect that important new art will not be dominated by traditional centres like New York and Paris, but will find its place among regional centres where it can speak more directly and sympathetically to audiences at home.”(Lu et al, 1999,p.38).

Political notions of independence and the material benefits of wealth have set Taiwan, culturally, still further apart from the mainland.

In the 1994 Hanart exhibition catalogue, ‘Man and Earth’ (Chang et al, 1994) the mainland Chinese art critic, Li Xianting, acknowledges the differences between Taiwan’s and China’s relationship with the West. He suggests that, free from China’s ideological restraints, Taiwanese artists have managed to develop a wider artistic vocabulary and greater individualism. The ‘Man and Earth’ exhibition was the logical extension of another Hanart show; ‘New Art, New Tribes’ in 1993 in which the Taiwanese critic Nan Fangshuo categorised Taiwanese avant-garde art into ‘isms’ and sets those ‘isms’ beside their Chinese equivalents (Lu et al, 1993). These views are reinforced in Hanart’s representation of avant-garde Taiwanese artworks at the 22nd International Biennale in São Paulo in 1994. In this and the other catalogues, Chang has set the cultural agenda for Greater China.

Taiwanese avant-garde artwork must, however, distinguish itself from their Chinese equivalent in order to secure a niche in the international art market. The economic need for international recognition is not so great in Taiwan as it is in China, since Taiwan has such a significant local art market, but the lack of international recognition has constrained values for Taiwanese avant-garde artworks.

Chang’s definition of the Chinese and Taiwanese approach to art is explained in the 22nd International Biennale, São Paulo catalogue in 1994, for which Hanart supplied the artists for both territories:

“In general, it may be said that while Taiwanese artists show a preoccupation with the social nature of art vis-à-vis the individual, China’s Pop artist, unwittingly or not, tend to evoke the broader spectrum of history.” (Chang & Chia, 1994).

One of the main characteristics that critics have identified in Taiwanese avant-garde artworks is a “brash ersatz rococo” (Jose et al, 1995) embodied in the work of Huang Chinho (b.1956, educated National Chung Hsing University). Jose describes how one of his artworks, in particular, ‘Fire’ (illus.35)(1992) embodies a spirit of Taiwan:

“ Part horrifying, part celebratory, these works show the newly prosperous denizens of Taiwan in a world of exuberant grossness and garish transformation. Traditional symbols, such as peaches (for longevity), sugarcane (for good luck) and lotus leaves, jostle with the imitation-classical facades of karaoke bars and strip clubs in exquisitely painted garden settings where humble cabbage grows in the foreground and overweening tower-blocks sore behind.” (Jose et al, 1995, p.8).

In another attempt to draw a distinction between Chinese and Taiwanese avant-garde artists, critic, Chang Maoki (Lu et al, 1993), argues that Taiwan’s newly won democracy and its tolerance of the indigenous peoples and minorities have sensitised Taiwanese artists to a degree that would not be possible on the mainland. Victoria Lu is an ardent advocate of pluralism in Taiwan but insists that it does not preclude a Western influence:

“..the self-assertive emphasis on the value of regional and racial difference – does not disavow the sway of predominant Western culture, yet it still strives to speak from a fundamental point, that is a discourse of identity or a legitimisation of text. Pluralism, which regards diversity as a cultural necessity, is therefore a tactic to resist the allure of Western material culture and to find another means of coexisting with Western cultural hegemony” (Lu et al, 1999).

The aim and direction is clear, once again, Lu is intent on differentiating Taiwanese art from Chinese, but at the same time re-defining its position in relation to the international market.

Despite the differences between the concerns of Chinese and Taiwanese artists observed by Lu et al, the intentions of Taiwan’s avant-garde artists are still presented as being concerned with an interpretation of the daily realities and anticipating the social currents that have just been discussed.

In a reference to the video art of Wu Tienchang, (b.1956, educated, Chinese Culture University) (illus.36) Johnson Chang describes it as:

“Melancholic works about cultural wounding and erotic allurements” (Chang et al, 1999,p.5)

and another video artist’s work, FOCL by Wang Junjie (b.1963 – educated, Chinese Culture University) :

“ ..a direct comment on desire and human nature, based on the phenomenon of consumer culture.” (Chang et al, p.5).

Victoria Lu, in analysing the video art installation of Jun Jiehwang -‘Little Mutton Dumplings on the Thirteenth day’- for Dimensions in 1994 actually states that:

“He (Jun Jiehwang) observes society and reflects the times”(Lu, 1994)

A pictorial version of Wu Tienchang’s video installation was selected for the Council for Cultural Policy and Development’s sponsored survey of Taiwan art in the 1990s (Lu et al, 1999). Critic, Huang Haiming, describes Wu’s work as expressing a:

“depressive and nostalgic atmosphere particular to the old brothels of Taiwan” (Lu et al, 1999, p.43)

Huang’s description of the artwork is almost identical to Chang’s, showing at the very least a consensus of opinion in both avant-garde sectors.

The artwork of J.C Kuo (b.1946, educated Chinese Culture university), which is represented by Galerie Elegance in Taipei is described by Wellington Lee, the gallery’s Director in the catalogue forward to an exhibition in 1994 (Lee,1994) as a comment on the search for instant gratification in Taiwan and the acquisition of wealth. Lee was commenting on two series by the artist: ‘Bitch in Heat’ and ‘Day and Night’. In the not-for-profit exhibition survey of Taiwan art in the 1990s (Lu et al, 1999) Hsiao Chongray, concurs with Lee and describes J.C Kuo’s ‘Bitch in Heat’ series as:

“Sex kittens of modern-day posters and calendars, exposing the still prevalent male-induced power structure, and its oppression of the female.” (Lu, et al, p.33)”.

These references are interesting for two reasons. Firstly they show how close are the sentiments expressed in exhibition catalogues, often by the same critics, in the two avant-garde sectors. Secondly, how important it is for artists in this market to be discussed in terms of hard, real issues.

Many of the artists who have been successfully promoted by the commercial sector of the avant-garde in Taiwan in the 1990s were exhibited in a seminal exhibition in 1993 at the Taipei Fine Art Museum; Taiwan Art (1945-1993) (Huang Kuan-nan, 1993). It was a seminal show because it presented the work of young Taiwanese artists alongside established figures. Another aspect of this exhibition was the loan of works from the commercial sector. Two of Taiwan’s foremost (category A1 and A) galleries in Taiwan loaned artworks for the show.

Lung Men (A1) loaned two artworks by Wu Hao and Galerie Elegance (A) lent an artwork by Chang Wanchuan.

The artists who had enjoyed avant-garde success in the 1990s were rewarded by another major not-for profit sector show in 1999: ‘Visions of Pluralism: Contemporary Art in Taiwan, 1988-1999’. The list of commercial galleries that lent works to this touring exhibition, which travelled to the China Art Museum in Beijing and the National History Museum in Taipei was composed of an even broader sample of Taiwan’s top galleries (A1, A):

Lin & Keng, (A), IT Park (B1), Dimensions (A1), Caves Art Center(A1), Hanart (Taipei)(A1), Galerie Pierre(A1) and Lung Men A1). IT Park was probably considered on the basis of its ability to set trends (see-Appendix 1- Gallery Survey)

A critical look at Hong Kongese risk-neutral contemporary artworks

Most of Hong Kong's artists are, strictly speaking, émigrés, having fled to the former British Crown colony to escape persecution on the mainland. However, Hong Kong's peculiar cultural status of former colony, and now Special Administrative Region, with its predominantly Cantonese population, demand that the work of its artists be looked at in isolation.

Writers in the territory's commercial gallery describe the avant-garde contemporary artwork in Hong Kong's relatively small local art market in very distinctive terms. Nigel Cameron, writing about the work of Wucius Wong (b.1936, educated US and HK)(illus.37) in Plum Blossoms' catalogue 'Visions of Wanderer', declares:

"I use these works as a signal and early demonstration and example of what has happened since, in which already a Western design concepts had begun to play its part and to transform what is Chinese painting in the characteristic Wong manner" (Cameron & Auyeung, 1997).

Broadening the debate in order to signify Hong Kong's distinctive visual art contribution to contemporary Chinese art, Henry Auyeung, writing in the same catalogue notes how Wong was at the forefront of specifically Hong Kong artistic development. The movement, known as *xinpaihua*, was strongly influenced by design concepts from Germany and the work of Johannes Itten (1887-1967) as well as Seurat. Henry Auyeung writes:

"One of the most distinctive styles of modern art in Hong Kong today is the combination of traditional Chinese landscape and modern design" (Cameron, Auyeung, 1997)

Edward Lucie-Smith praises Chu Hingwah, (b.1935 in Guangdong, educated University of Hong Kong) (illus.38) for his simplicity and ability to condense his impressions onto small pieces of paper. Lucie-Smith, writing for Hanart TZ, suggests that this is a necessary quality of this particular Chinese artist, who has spent most of his adult life in Hong Kong:

“He has also to decide how to accommodate aspects of Western material culture -high-rises, all the technology of a bustling modern city like Hong Kong.” (Lucie-Smith et al, 1998)”

Both Wong and Chu are treated in a particularly reverential way by the critics writing in their catalogues because of their age and status within Hong Kong’s arts community, but also because they represent a connection with a pre-Communist China – both artists were born in Guangdong. By implication, therefore, their work has a particularly Hong Kong stamp.

Another artist who has been taken up by the critics operating in the commercial avant-garde art market in Hong Kong is Oscar Ho (born in 1956 in Hong Kong, educated at the University of Saskatchewan, Canada and University of California). Ho has concentrated on creating pen and ink sketches, caricaturing life in Hong Kong. It is possibly too strong to suggest that an artistic interest in the realities of Hong Kong life is helpful in establishing an artist’s reputation in the territory, but Ho is not the only successful artist dealing with this subject matter who has been lionised by critics. Sze yuen (b.1960, educated US) is another who depicts snap-shots of urban life in the city-state and has received plaudits.

Hong Kong’s video artists are treated as a clear and defined group of artists by Ellen Pau –herself a video artist – and the long period of video art development (since the late 1960s) is clearly intended to set them apart from their mainland contemporaries. Pau notes that she drew inspiration from the highly technical work of German artists and the low-tech community based work of American practitioners (Chang et al,1999). Video art is still a symbol of wealth and prosperity, and Pau talks at some length about the economic conditions that allowed this type of art to flourish in Hong Kong:

“Video art developed in the mid-eighties after the new wave movement. It emerged from the same source: consumer products of middle-class leisure.”(Chang et al, 1999,p.14).

and:

As the society and government policy focused on economic development during the last two decades, Hong Kong became affluent” (Chang, 1999,p.15).

The other defining characteristic, apart from longevity and economic conditions, which sets Hong Kong video art apart from the recent developments in China is the absence of censorship, which afflicts all technological means of communication in China.

Closing remarks on the value of criticism to contemporary Chinese artwork

The critical response to the work of artists in commercial gallery catalogues reinforces the risk divisions I have suggested exist between the alternative and avant-garde dealers in Greater China. The language in the two markets is clearly dissimilar, and the aspirations very different. In the broadest terms, the artwork in the catalogue of alternative art market galleries – which I have called risk-averse artwork – is discussed in terms of its technical qualities, and uncontroversial external issues. It is also described in terms of what it is not. It is not a slavish follower of mainstream (international avant-garde), fashionable taste.

The artwork promoted by avant-garde art galleries-which I have called risk-neutral artwork- is described in very different terms. Risk-neutral artworks are described as dealing with serious and ‘real’ issues, uncompromising and hard-edged sensibilities which impact on our daily life. They are accredited with anticipating societal developments and it is implied that the work is confrontational where risk-averse artwork is passive. It is a giant step to read into these criticisms some indication of the nature of prospective buyers. But if these catalogue essays are marketing tools than surely it must be an intention of the writer to reach out to a type of buyer who has either a risk-averse or risk-neutral nature.

Another issue, which defines the two approaches to criticism, is the shared critical responses of the profit and not-for-profit sectors, and the lack of such a crossover in the alternative art market. The fact that many of the avant-garde writers -notably Victoria Lu in Taiwan- have contributed essays to both sectors is quite telling.

Finally, and this holds true for both markets, the critical response has remained fundamentally consistent in its ambitions across the three territories, with relatively slight differentiation made in the avant-garde market between the work produced in China, Hong Kong and Taiwan respectively. The marketing mix in the avant-garde market, as expressed in critical writings, broadly separates the work of Taiwan artists from Chinese by politics, Hong Kong artists from Chinese by economics and defines Chinese artists themselves in terms of their relationship to national politics and international, macro-economics.

Chapter 6

Lessons from history

The role of expansion and risk in the development of international art markets.

In the introduction I referred to two distinguishing characteristics of Western capitalism as defined by Giddens (1986,1999) and Weber¹, (1930): globalisation and calculated risk (which was said to be a feature of globalisation). Those two features will now be identified in an historical context with reference to two particular art markets; the Italian Renaissance art market of the 15th and 16th century and the Dutch art market of the 17th century, with some reference made to other, subsequent art markets. These two markets have been chosen because of their emergence at the beginning of the period of European expansion. The Dutch art market's particular expansionist and risk-taking nature will also be looked at in relation to China. It is hoped that this chapter will help to explain how Western systems of measuring value were exported to the rest of the world, in the form of a global art market controlled from capitalist 'centres'.

Five writers: Schama (1987), Jardine (1996) Kempers (1994), Alpers (1988) and Thomas (1995) have emphasised the significance of strong and stable government in the provision of an environment fit for culture. Schama (1987) has explained how trade liberalisation assisted in the democratisation of both wealth and art in the Netherlands and in the provinces of Holland and Zeeland in particular, where most of the wealth and power was concentrated.

The parallels between those societies in different parts of Europe and at different times, which experienced periodic economic hegemonies, and at the same time enjoyed a cultural supremacy that has lasted the course of time, are striking (Kempers,1994, Cronin, 1971, Wilson-Smith,1996, Alpers,1988, Trevor-Roper,1976, Parker,1979). Two

conditions, pertinent to this thesis, which were important ingredients in the spread of that power and culture to the rest of the world: global economic expansion (globalisation in its present form) and speculation (risk-taking) will be examined in this chapter. These two market ingredients which have historic origins, it will be argued, have had a determining influence on the ultimate success of the Western art market, and elevated it to the dominant world model.

The importance of expansionism in the art market

By the *Quattrocento*, Italy had a developed, competitive, indigenous art market,¹ which exported its artworks and artists overseas. Its culture, personified in its painting and sculpture, was viewed as the height of sophistication supported, as it was, by the economically advanced Italian States (Kempers, 1994, Jardine, 1996, Thomas, 1995):

“ From the mid 15th century, important artists are to be found wherever a major trading centre is located, or wherever an expensive commodity is being produced and exported and there are, therefore, wealthy entrepreneurs to purchase” (Jardine, 1996, p.123).

The *Cinquecento* was a period of major State formation in Europe as France, Spain and the Holy Roman Empire became the political powers of Europe, and the small Italian States lost much of their independence (Parker,1979, Hale,1971 pp.55-63, Elliott,1979 pp.183-198, 1976,pp.15-44). The market for art developed into a pan-European commodity exchange, with Italy as its source. Economic and political power shifted from the small Italian States to powerful countries outside Italy (Jardine, 1996).

¹ Weber talks of expansionism rather than globalisation

The monarchs of the new States exchanged artworks and other valuable commodities². This competitive urge to acquire became the driving force of discovery in the New World. The medium to acquire, gold, was the main reason for physical expansion in the case of Imperial Spain (Elliott, 1976, pp.62-76), and the gold coins minted in Venice, Florence, Genoa and Lisbon were treated as international currency (Jardine, 1996). It was in the interests of the market to fix large sums of money in a secure unit of exchange, and the gold unit (florin) represented a constant, real value³.

It was in this world that Michelangelo, Raphael and Titian achieved their fame. In the first decade of the *Cinquecento*, during the peak of political polarisation in Rome, artists were asked to portray fairly contemporary secular events⁴, but when this period passed, artists became much more concerned with historical and theological matters. Jardine (1996) has noted that European painters referred in their art to political and economic changes, which were of global significance⁵. The painter's creative conception and ability to design and interpret contemporary events meant that he was considered by collectors to be more than a craftsman, and an elite artist emancipated himself from the rest. Raphael created the archetypal, elite, individual artwork- the portrait for reigning princes, and also developed the easel painting.

“ A moveable picture in tempera or oils with an image painted from a single perspective.” (Kempers, 1994, p.271).

² In 1490, the ambassadors from the Sultan in Cairo, brought the Doge Barbarigo of Venice fine Chinese porcelain(Jardine, 1996)

³ The gold standard was used to decide terms of large contract. Minor transactions were carried out in silver. During the 15th century the rate of exchange between the two fluctuated wildly (Jardine, 1996)

⁴ In 1516 the Pragmatic Sanction was abolished. The Sanction had decreed that the General Council was higher than the authority of the Pope). An agreement was reached between Pope Leo X and the French king Francis I, signed in the Sistine Chapel. Raphael painted ‘The Oath Sworn by Leo III, although he was depicted with the features of Leo X. The Pope’s position was clarified by an inscription on the painting: ‘The Pope may be judged only by God and not by man.’ This idea dates back to the Coronation of Charlemagne by Leo III when the Pope was accused of treason (Jardine, 1996)

⁵ Hans Holbein’s ‘The Ambassador’s depicts Jean de Dinteville, resident Ambassador of the King of France, Francis I. A broken lute string symbolizes Henry’s VIII break with Rome. The globe on the table, represents the ‘Linea Divisionis Castellorum ET Portugallenum’ (the slit of the New World between Portugal and Spain. The skull refers to de Dinteville’s desire to leave England and is also a Memento Mori. The Turkish carpet a reference to the muted support of the French and English for the Ottoman, whom they saw as counterbalancing the power of Charles V (Jardine, 1996)

This portable artwork enabled overseas monarchs to acquire work from Italy and, therefore the reputation of the artist achieved pan-European recognition, and as a result greater value (Thomas, 1995, Jardine, 1996, p.12) – achieving a pan-European price. Wealthy patrons like Cardinal Francesca Gonzaga employed the services of specialist advisors like Giovanni Petro Arrivabene to negotiate price and design with the artist. They also employed the services of official carriers⁶.

The reign of the Holy Roman Emperor, Charles V (1516 –56), saw a fusion of the Italian and Northern European tastes and famous artists like Titian and El Greco gained pan-European reputations (Jardine, 1996, Trevor-Roper, 1976). The 16th Century Academies of Europe (Florence, Rome, Bologna, Paris and Antwerp) enhanced these reputations, creating the concept of an intellectual elite (Kempers, 1994, p.304, Wijnberg, 1997, pp.146-150).

The artistic elite met the demands of a new, upwardly mobile class of patron in an expanding market place.

“ Such (contract) negotiations have the flavour of the market place. The artwork was considered as a commodity to be bought at ‘*buon prezzo*’, but was subsequently presented to the world as a high quality artefact.” (Thomas, 1995,p.135).

The impact of the expansionist, risk-taking Western art markets on China in the 17th, 18th and 19th century

The Dutch monopoly of world-wide trade for much of the 17th century resulted in Amsterdam becoming the trading entrepot of Europe (Schama, 1987, Aymard, 1982). The Dutch harnessed their limited natural resources to create one of the most dynamic

economies in Europe (Schama, 1987). They generated huge amounts of capital, dealing in commodities from around the world on an unprecedented scale through the East India Company (*Verenigde Oostindische Compagnie*) [V.O.C.] (Schwartz & Bok, 1990, Groningen, 1980, Rinaldi, 1989, Jörg, 1982, Campbell, 1903 re-print 1992). Within the Netherlands itself competition between towns was encouraged, but outsiders were subject to Dutch protectionism. Dutch merchant cartels controlled the supply and price of most commodities, since they controlled the overseas territory and the shipping, and had the means to turn raw materials into commodities.

“The whole business then was more akin to an international corporation trading between its own subsidiaries, than business between genuinely different parties” (Schama, 1987, p343.).

China featured in the expansionist trade ambitions of the Dutch merchants of the 17th and 18th century – in what has been termed the China Trade. Trade relations between the Netherlands, other Western countries, and China has, it can be argued, had an impact on the way the West views Chinese artworks.

The V.O.C. was set up as a joint stock company in 1602, and from the outset its objective was the maximisation of profits, in accord with the great risks undertaken by its ‘supercargoes’ and underwritten by shareholders (Pieter van Dam –Chronicler of the V.O.C. – as quoted in Jorg, 1982). Pieter Nuyts (a Dutch governor on Formosa) confirms the primacy of profit in the China Trade in a letter to the V.O.C. on 10th February 1629:

“Thus we should find by experience that the more capital the Company lays out in commerce so much cheaper will be the goods, and so much greater will be the profits derived from them.” (Pieter Nuyts – as quoted in Campbell, 1903 (re-printed, 1992), p.55).

The Dutch sent two trade embassies to Beijing in the mid 1670s in an effort to gain trade concessions (Beurdley & Raindre, 1987).

⁶ Valuers were discussed in guild legislation in Florence as early as 1349, when it was stated that if payment disputes arose, one or two painters from the guild should act as valuers. Works were also often physically

The significance of the profit-motive is exemplified by the action of the Heren XVII (controlling V.O.C. representatives) in 1729, when they attempted to reduce costs by sailing vessels direct from the Netherlands to China, rather than via the Dutch colonial capital city of Batavia in Indonesia (Jörg, 1982,p.27). The V.O.C. even attempted to establish a niche market for Chinese porcelain based on Western designs, in this case those of Cornelis Pronk (Groningen, 1980,p.43). The sending of designs in the form of engravings and drawings to China for the Chinese to imitate (or interpret) in porcelain was a feature of the trade by the 1740s. This project was curtailed when it was discovered that despite the high prices attained by this bespoke ware, the cost of manufacture reduced profits to a minimum (Groningen, 1980). Profits from made-to-order Chinese porcelain fluctuated throughout the 18th century but were usually very substantial (see fig.38):

(fig.38) Profits realised from Dutch supercargoes in the 18th century

Coxhorn-1730 yielded 200% profit
 Slooten – 1758 yielded 233% profit
 Velsen –1761 yielded 151% profit

Source. Jörg, 1982

The position of the porcelain in terms of its status in the Dutch household changed from the 17th to the 18th centuries. From the mid point in the 17th century, the origins of Dutch involvement, *kraakporselein* (blue and white export ceramics) was set out on racks or set within glass fronted cabinets in Dutch middle class households. Dutch still-lives also included *kraakporselein* in their compositions – see in particular the still-lives of Willem Claesz Heda - (Beurdley & Raindre,1987, Haak, 1984, Krah1 et al, 1994).

By the late 17th and early 18th century Chinese porcelain appeared in paintings as daily ware (Beurdley & Raindre, 1987, Haak, 1984). The change in the status of this object in Dutch households was reflected in the market in two ways: firstly, in the specific nature

transported by middlemen who also acted as paymasters. (Jardine,1996)

of the requirements, which by the 1740s comprised of engravings with standard borders- the beginning of standardisation (Howard & Ayers, 1978) - and secondly in the vastly greater quantities of this commodity imported into Europe from the second third of the 18th century until the end of the century, compared with the 17th century (see fig.39).

(fig.39)Quantity of Chinese porcelain shipped to Europe
from China from 1602-1789

1602-1682 over 3.2 million pieces shipped
1729-1734 over 4.5 million pieces shipped
1730-1789 over 42.5 million pieces shipped

Source Jörg, 1982

The China Trade continued into the 19th century and had already by the mid 18th century started to include a range of other commodities including oil paintings, but not the indigenous ink painting favoured by the literati in China (Sullivan, 1973, p.89). Reverse glass painting had been introduced into the trade in the 1750s, and consisted mainly of landscapes and portraits. Decorative objects were created specifically for Western tourists throughout the 19th century until the United States Centennial exhibition in 1876 (Crossman, 1991, p.19). Extremely skilled Chinese painters, such as Spoilum, painted the portraits of Westerners or port scenes based on engravings for about \$12 a piece (Crossman, 1991). One of the most famous, Lamqua, charged as much \$26.50 for a canvas (\$500 a year) (Crossman, 1991), incredibly cheap in comparison to the prices charged for paintings by 19th Victorian artists. William Fane de Salis' observation that Lamqua was "the Millais or Oules of South China" (Crossman, 1991, p.89) was thus faintly ridiculous. In general the artworks (oil paintings) of the China trade in the 19th century compared unfavourably with Western equivalents in terms of reputation and value.

The lowering of the value of Chinese artworks in Europe as the China Trade progressed combined with the, at times, specific requirements made of the Chinese artist by the Western 'factors', suggests that the Trade was weighted in favour of Western systems of

value. As the trade gained more concessions in the form of the Treaty Ports of the 19th century, the influence of the West's system for conferring value – the expansionist, risk-taking art market – expanded still further to include China in its global network. It is ironic that the physical representation of this expansion - the six-set of Western enclaves in China- was recorded in the form of oil and reverse glass paintings by Chinese artists painting to order for Western buyers (Crossman, 1991).

The value of risk

The geographical and social expansion of the Italian 15th and 16th century art markets led to the development of a middle market, servicing clients of more modest means:

“ There was thus a bullish market for tabernacles containing reliefs which followed the designs of Ghiberti or Donatello (in the first half of the 15th century) and those of Desiderio da Settignano and Antonio Rossellino (in the second half of the century). Such merchandise was not only fashionable, but also comparatively cheap (being produced in *terra cotta*, *stucco* or *gesso* rather than the more expensive original marble). Neri di Bicci became increasingly involved in this ‘high street’ equivalent to *haute couture*” (Thomas, 1995, p.285).

The market in smaller altarpieces, including tabernacles and *colmi* were bread and butter work bringing in assured income, whilst the larger works represented the risk.

Magnificence did not come cheap. Cardinal Francesco Gonzaga was saddled with debt at his death, and Emperor Maximillian borrowed money to finance military campaigns⁷. Bankers emerged as the great power brokers, and the Fuggers and Medicis⁸ enabled the princely houses to maintain the illusion of magnificence⁹. Artists played a crucial role in this arrangement between credit and the demonstration of power and magnificence¹⁰.

⁷ Francesco Gonzaga was 20,000 Ducats in debt at his death. Fugger bankers to finance the consolidation of his territory lent Emperor Maximillian 200,000 ducats. (Jardine, 1996)

⁸ In 1488, Francesco Gonzaga's collection of stones and medals were up for sale, and Matthias Corvinus, King of Hungary, wished to buy them. The collection resided in the Medici bank in Rome, Lorenzo de Medici in Florence was unable to secure a deal with King of Hungary. Ten years later Francesco Gonzaga II tried to reclaim them with money from the Sforza's in Milan, but the Sforza's had no cash at the time and so

The theocratic problem of gain through usury was resolved in a most interesting way:

“ Exchange relations between monks and merchants sanctioned acquired wealth because part of that wealth was transferred to church ownership.” (Kempers, 1994, p.186).

Jardine (1996) has also explained how patrons sought redemption by charitable acts in the form of endowments to churches, which often took the form of an artistic commission in churches. Still, merchants remained unpopular with the Church because of their pursuit of wealth for its own sake, but those who took great risk, and this was the key, were extended further tolerance. The Church decreed under the *Periculum Sortis* that those who risked their lives or investments on a commercial enterprise were entitled to place a value on that risk, in the form of a profit on the sale of merchandise. Much commercial risk was linked to the physical expansion of the great European trade empires, and the very real dangers involved in the transport of commodities over vast distances.

In July 1555 Johann Eck, Professor of the University of Ingolstadt, produced an argument in favour of current commercial practice, which let the Church off the hook. He arranged the following three-tier arrangement of contracts for loan:

1. A Simple partnership
2. A risk carrying partnership or commercial investment, anticipating a profit
3. A business arrangement whereby the borrower sells the investment opportunity back to the lender for a guaranteed profit

the objects stayed with the bank. “ These exquisite and important cameos had become permanently trapped in the world of finance, rather than that of culture- forever currency instead of art.” (Jardine, 1996,p.424)

⁹ In 1546, Maria of Hungary paid the artist Vermeyen, 1,900 Florins for full-scale cartoons of the ‘Conquest of Tunis’ (a record of Charles V campaign against Barbarossa). She asked Willem Parmemaker to manufacture 12 tapestries from the cartoons. She paid him 15,000 Flemish pounds. The merchant, Jacob Welser, put up all the money (Jardine,1996)

¹⁰ See support for bankers at Diet of Nuremburg in 1522, (Jardine,1996)

This argument accepted that the Bible prohibited money lending, but recast contractual arrangements so that any loan could be represented as an investment opportunity of the kind that is considered morally acceptable to take a profit.

“ It was symptomatic of an increasingly prevailing sense that the machinery of accountancy and business lay outside the scope of traditional morality.” (Jardine, 1996, p.369).

Philip Melanchton considered that secular magistrates should allow interest on loans, and that secular society need not operate under the laws of Christ. Meanwhile, in England, Henry VIII had introduced a new statute on usury, which made lending at up to 10% interest legal.

Systems for managing risk in the Netherlands in the 17th century

The *Wisselbank* (Central Government bank) formed in 1609, whose motto was probity not profit, saw its deposits rise from 1 million to 16 million Dutch Florins from the beginning to the end of the 17th century. Sound financial practices allowed Amsterdam to become the centre of international payments system and permitted large-scale credit at low rates of interest (Barbour, 1963, Aymard, 1982).

By mid-century the Dutch were swimming in surplus money and looking for investment opportunities. The Bourse (Amsterdam Stock Exchange) was the centre for high risk, short term investment, an arena in which professional brokers lived off their market knowledge and hoped to anticipate price movements, making a living from shares they did not possess but could off-load at a later date. (Aymard, 1982, Weber, 1930).

Job Beckheyde's painting of ' The Old Exchange Amsterdam', 1670s (Rotterdam, Boymans-van Beuningen Museum) is notable for the number of exotically attired investors depicted. The Exchange was a magnet to speculators from around the world. Speculation was not confined to the regulated proceedings of the Bourse, but took place

in the taverns and on the street, in lotteries and auctions (De Marchi, 1995) and most famously in the speculation with tulip bulbs (*Bloemenspeculatie*) of the 1630s (Posthumas, 1929, Schama, 1986, Krelage, 1942) ¹¹. The bulbs also became a source of inspiration for artists like Hendrick Pot.

Risk taking and speculation was endemic in Dutch 17th society. (Schama, 1986, Floerke, 1905, Krelage, 1942, Schwartz & Bok, 1990, Brown et al, 1991, A.Th. van Deursen, Posthumas, 1929). It infiltrated the art world (Alpers, 1988, Schwartz and Bok, 1990 Alpers, 1988, Brown et al, A.Th van Deursen). It also affected the buying motivations of collectors. Ake Bengtsson (1952) has concluded that speculation took place in paintings in the Netherlands in the top two groups in society - merchants and Burghers, both of whom were involved in risk-taking ventures such as overseas V.O.C. trade and land-reclamation projects in the Netherlands (see also: Schwartz & Bok, 1990, Jörg, 1982, Crossman, 1991).

The management of risk in the art market in the Netherlands in the 17th century

The middleman became professionalised (single career) in the Netherlands in 17th century, as the open market substantially replaced the patron or commissioner, even at the top end of the market (Montias, 1982, Schwartz, 1988).

Although the vast majority of images were treated as commodities, with values determined by size and quality of finish (Bruyn, 1979), there was a growing market for artworks that were considered as investments (Montias, 1982, Schwartz, 1988). It was in

¹¹ Introduced into the Netherlands from Turkey in 1593 by Clusius, the tulip became a precious highly coveted flower. From 1633-37 a two-tier system of speculation had developed around the bulb, with the rarest such as *Semper Augustus* exchanging hands for Florins 5,000. At the height of the mania, *Windelhandel* (trading in the wind bonds) became substitute mediums of exchange, with many speculators paying for goods with bulbs they did not own. (Posthumas, 1929)

this market that the Dutch art dealer established his reputation as a risk-broker between the artist and the buyer (Montias, 1982, 1980).

By the early part of the 17th century the regional art market in Europe had grown into a global venture. The indigenous Dutch art market may have lost its leading art market position by the end of the 17th century, but the economic characteristics which made Amsterdam an art market capital had spread to other European mercantile states with expanding trade empires, such as France and Britain (Reitlinger, 1961). Prices for the artworks of the most successful Dutch 17th artists, such as Rembrandt, had been extremely high, suggesting that speculation had occurred. There is evidence to suggest that Rembrandt himself was engaged in bidding up the price of his artworks at auction (Alpers, 1988, Wijnberg, 1997) and certainly exchanging a single image of his for a number of works by another artist (Schatborn & Beers, 1991, p.242). There is further evidence that a number of his buyers bought his paintings for investment purposes, and that Rembrandt sold works in lieu of debt (Held, 1969, p.88). There are also clear indications that single career Dutch dealers like Reynier Vermeer, Abraham and Meynard de Cooge and the Uylenburghs manipulated supply in order to raise prices (Montias, 1982, 1980, 1987, Alpers, 1988, Liedtke et al, 1995, Robertson, Oct, 1992).

Prices for the great English Victorian artists were higher, in relation to other luxury commodities, than their Dutch equivalents (Montias, 1982, Schama, 1987, Reitlinger, 1961) suggesting that there was also speculative element to their value. As fig. 40 shows, when adjusted to take inflation into account, the prices of artworks by the Great Victorian artists compared favourably with those of avant-garde artists of the 20th century (Reitlinger, 1961):

Fig 40 Four outstandingly successful late Victorian artists. Contemporary currency equivalents in brackets (prepared by the Archivist to the Bank of England as of November 1999)

Sir John Millais (1827-1896)	Sir Edwin Landseer (1802 –1873)
1875 Jephthah's daughter £3,990 (166,263)	1868 A group of deer £ 4,200 (166,698)
1867 Jephthah's daughter £ 4,200 (166,698)	1873 The Otter Hunt £ 10,000(387,700)
1887 Over the Hills and Far Away' £5,250 (282,292)	
Sir Lawrence Alma Tadema (1836 – 1913)	Frederick Lord Leighton (1830-1896)
1903 Dedication to Bacchus £ 5,880 (306,289)	1874 Sargosian Bride £ 2,677 10s(108,867)
1904 The finding of Moses £5250(273,472)	1893 Daphnephoria £ 3,937 10s(211,719)
(Source: Reitlinger, 1961)	

The prices of artworks by 'Brit Art' artists such as Damien Hirst are lower than the Great Victorians, although the Victorian artists had to wait until late middle age until they achieved their high values, whereas Hirst was comparatively young when he made £170,000 (£173,400) at Christie's, London in December 1998 for 'God'. The highest price achieved at that auction was £220,000 (£224,400) for Sigmar Polke's 'Totenkopf' (see Appendix, Auction House prices).

The new-rich Victorians bought artworks on the advice of their London dealers who reduced the risk of loss by informing the taste of the client and advising the artist to create artworks in order to complement that taste, whilst also regulating the supply of artworks onto the market:

" Because that was what the whole apparatus of informed taste told them to do. They were not buying homely objects for their cosy dens (like the Dutch bourgeoisie) but the equivalent of the Grand Manner, something very large and showy that was expected to enhance their status" (Reitlinger, 1961, p.151).

The role of the avant-garde, Impressionist dealers in France at the end of the 19th century and the beginning of the 20th century did not result in a markedly different approach to risk-reduction from that of the Victorian dealers in England. The Victorian dealers, like Gambard, controlled production and, along with the not-for-profit sector (Academies), defined taste, in the same way as the great avant-garde French dealers, Durand-Ruel,

Kahnweiler, Vollard and Gimpel. These French dealers in the avant-garde first influenced private taste and later not-for-profit institutional taste, creating monopolistic and oligopolistic controls of taste and value (Gimpel, 1963) that did not differ greatly from those exercised by the likes of Gambard. There was one area in which the Victorian dealer had an added edge of security against risk that the French avant-garde dealer did not have in the early days – institutional support. The transition between Academy validated artworks and those validated by avant-garde, not-for-profit institutions, took time. In the interim the avant-garde dealer had to focus on private sector support. Many Academy trained artists in England and France continued to be economically more successful than their avant-garde French contemporaries in the early decades of the 20th century (Treuhertz et al, 1999, Rosenblum et al, 2000). The great Impressionists, with honourable exceptions, made modest amounts of money from their artworks in their own lifetimes as shown in fig.41.

(Fig 41) The prices of the great Impressionists during their lifetimes, at similar or later stages in their careers than the Late Victorians in (currency equivalents in brackets, prepared by the Archivist to the bank of England)		
Paul Cezanne (1839-1906)	Claude Monet (1840-1926)	Renoir (1841-1919)
1894 3 from £26-£35 (1,444-1,944) £51.6s(2,248)	1873 Nature Morte £ 31.5s(1,221)	1880 Tete de femme
1900 Nature Morte £ 280(15,055)	1898 Au Jardin £ 880(48,901)	1900 La a la chat £2000(107,540)
1900 Maison a la campagne £ 220(11,829)	1920 La Tamisea Londres £ 2,900 (53,708)	1919 La loge £ 4,000(85,480)
(Source: Reitlinger, 1961)		

In the intervening years before the drawing together of not-for-profit and commercial gallery taste, artworks were defined by the dealers and the market’s mechanisms, rather in the way that they were in the Netherlands in the 17th century.

The real achievement of the Dutch 17th century art market and its antecedents was to devise a global (universal) system of value for artworks, which minimised risk and maximised profits. The further reduction of that risk with the close relationship between the market and Academic/ institutionalised taste was a particular characteristic of the art

markets of England and France in the 19th century and the avant-garde art market after the establishment of not-for-profit avant-garde art galleries.

Chapter 7 Regional politics and economics

A political and economic assessment of Greater China in the 1990s

In the methodology I suggested that it was important to consider the macro-economic and political reality of Greater China in order better to understand the development of its art markets. I also explained how the five broad areas of exploration I identified grew out of my questions directed specifically at those art markets. This chapter will assess those macro-factors as they affect the three territories under discussion.

China's macro economic and political situation

Is the government politically strong ?

The threat of political instability has affected the Greater China region for most of the 1990s. One of the key areas of instability has surrounded the uneasy relationship between the Communist government of China and the democratically elected Kuomintang (KMT) led government of Taiwan¹.

Political stability within China has been challenged in recent years, most openly in 1989 in Tiannamen Square. Since then, there have been disturbances in the semi-autonomous regions of Xianjiang and in Tibet. One of China's neighbours, Kazakhstan, fears Chinese claims to its territory, which the Chinese claim once

¹ For that and other potential regional flash points, see (Oliver, July 1999), (Burton, March, 1999), (Clover, July, 1999) (Dickie, March, 1999, April, 1999, August, 1999a, August, 1999b),

formed its *Xi Yu* (north West province), extending almost as far as the Caspian Sea (Clover, July, 1999) (Int. 157). There is also huge potential for unrest in the great numbers of former state industry employees who are now unemployed because of Zhu Rongji's fast track economic reform programmes of the early 1990s (Harding, March, 1999) (Int. 157).

The Institute of International Strategic Studies (IISS) stated in 1997 that China:

"Veers from excessive confidence to paranoia about its ability to prosper free of foreign constraint. Similarly, external powers are anxious to benefit from the growing economy, but also hope in the short term to restrain China and make it a more amenable international partner." (Chipman et al 1997 p.162).

The Asian economic crisis precipitated by Japan at the end of 1997 demonstrated that China acknowledged its interdependence with its neighbours and its acceptance of a new responsibility. China provided a \$1 bn rescue package for Thailand, and did not devalue its currency during the Asian financial crisis of 1997. In the middle of 1998, however, China's own economy faltered, and there was speculation of devaluation (Harding, July, 1998) but China still seemed willing to pursue a policy of engagement with the outside world (Chipman et al, 1999).

In its 1998/99 assessment IISS (Chipman et al, 1999) maintain that it was too early for optimism in Asia. Asians still have major challenges of political and social reform. China seemed to teeter on the brink of its own economic crisis, and Japan, which accounted for two-thirds of Asian economic wealth, was reluctant to embrace reform.

Deng Xiaoping's political strategy had been to use the fruits of economic success to subdue feelings of discontent amongst the growing numbers of people who hoped for greater democracy. The decentralisation of the economy has made economic management difficult and has forced Beijing to pursue a policy of "bartering tolerance for obedience." (Chipman et al, 1997). The long running

(Fidler, July, 1999, May, 1998), (Kynge, April, 1999, August, 1999, Dec, 1998, July, 1999,), (Montagnon, May, 1999), (Nakasone July, 1999), IISS(, 1999, 1998, 1997 (Dupont, 1998)

confrontation between the government of the Republic of China (R.O.C.) on Taiwan and the government of the Peoples Republic of China on the mainland has been a stalemate since the Nationalists fled to Taiwan in 1949, and continues to be so today (Copper 1996, Kynge, July, 1999, Segal July 1999, Chipman et al, 1999, Hardy, 1998)². Taiwan's relations with Japan and the United States have also fuelled Chinese suspicions since 1996 (Oliver, July, 1999, Harding, 1998, Macintyre, July 1999) and China is concerned about the inclusion of Taiwan in the proposed Theatre Missile Defence System (T.M.D.) (Dickie, March 1999). China has been unable to resolve any of these issues to its satisfaction.

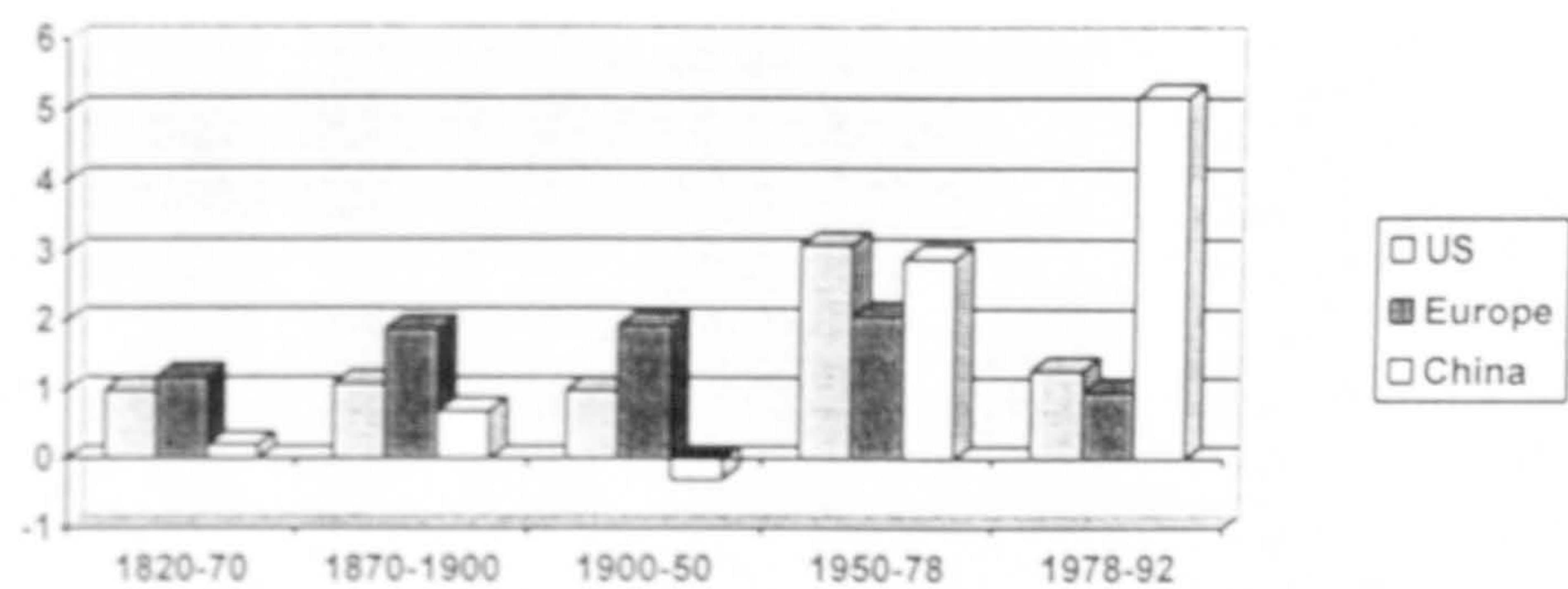
The political posturing of the two Chinas has achieved three things. Firstly, the periodic de-stabilisation of the region; secondly, the powerlessness of China in the face of US military might; thirdly, it has reinforced deep-seated feelings of antagonism in Taiwan towards Chinese interference in its internal affairs. A fourth negative impression has been registered in the international community by the Chinese government's attitude to the independent rule of law. Since 1998, there have been particular concerns that independence of the Hong Kong judiciary is not being safeguarded by Beijing (Jacob, November 1996, Lucas, June 1999).

Does China enjoy economic prosperity?

According to the World Bank China 2020 Report (1997), China's economy has expanded more than fourfold in the past 15 years. Between 1978 and 1995 real GDP per capita grew at 8% a year and lifted 200 million people out of absolute poverty. The growth rate is almost unprecedented. Only the Republic of Korea and Taiwan had comparable growth rates (see Figs. 42 and 43).

² Koo Chen-fu, Taipei's Chief Negotiator with Peking, signalled that democracy was a prerequisite

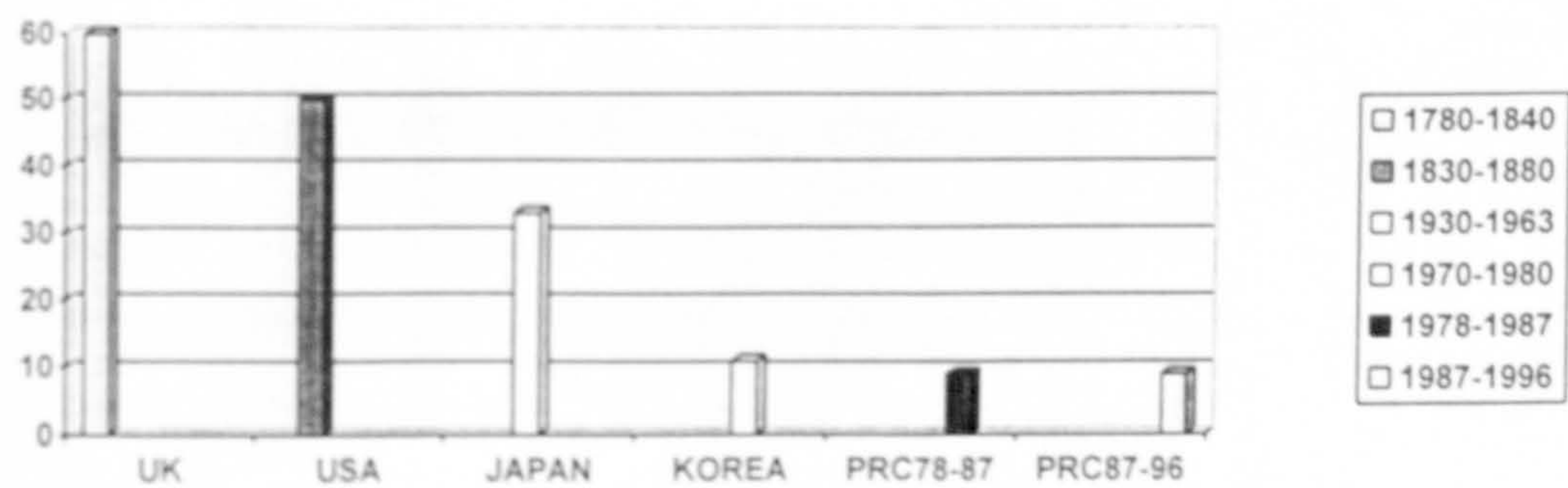
(fig.42)Average annual per capita GDP growth for US,Europe and China from 1820-1992



(percent)

Source: World bank:1997

(fig.43)Number of years the UK, US, Japan, Korea and China have taken to double GDP
(Source:The World Bank,1997)



to unification (Harding Dec,1998).

China's economy has continued to show strong growth during and after the Asian economic crisis (see fig. 44).

Fig.44 Growth Rates after the economic collapse in Asia in 1998 (Chipman, IISS,1999)

Indonesia	Thailand	Malaysia	S,Korea	Hong Kong	Japan	Singapore	Taiwan	China	
-13.7	-7.7	-6.3	-6.1	-5.1	-2.9	1.5	4.8	7.8	1998
-3.3	0.7	0.7	2.3	-1.2	-0.9	0.7	4.3	7.3	1999
2.5	3.1	3.1	4.0	1.9	0.2	3.4	4.9	7.2	2000

There is a feeling that the deflationary process at work in Asia often produces W shaped recessions, the present recovery signals might prove illusory.

China has liberalised prices gradually (inflation has remained below 20% throughout the period of liberalisation) but has not, as Overholt (1993) has suggested, built the institutions that will be able to help control inflation and in the last year there has been a spate of bankruptcies in China's financial institutions. The official annual growth rate for China is 8% (the real rate was thought in 1998

to be as low as 5.5%) (Jacob, Nov, 1998), but falling prices, lower corporate earnings, job losses and slackening consumer demand suggest that this figure is an exaggeration. Standard and Poor, which downgraded China's foreign currency rating in July 1999, have predicted that China's growth will slow to 4-5% over the next three years. (Kynge, June, 1999, Chipman, 1999, Montagnon, July, 1997, Kynge, July 1999).

Is the economy soundly managed?

It is argued that China's economic success owes much to its decision not to implement political reform, which has allowed the gradual development of market forces, facilitated fiscal stability and provided a stable environment for large scale foreign investment, while at the same time providing a means of intervention in areas of market failure (Ash & Kueh, 1996).

Economic progress depends on the stability and coherence of political institutions; the ultimate question is whether China's will become so weakened that growth will stall amidst corruption and political strife. One of the main institutional weaknesses remains property rights, where changes have been less radical than in markets, international trade and other aspects of the economic system. The main change has occurred in the content of ownership, with State and collective sectors seeing certain devolution of rights. Residual rights have remained with the State.

Since 1992 China has been deemed a less risky political and economic environment by risk assessment organisations such as the World Bank (1997) and a reason for this lies in the government's more liberalised foreign investment policy. In early 1998 a poll by the Geneva based United Nations Conference on Trade and Development found that nearly all-foreign companies wished to press ahead with their investments in China, although it has been reported that growth and foreign investment figures in China have been padded (Kynge, Dec 1998). In January and February 1999 foreign investment fell for the first time in ten years.

China has other mechanisms for securing foreign currency, other than inward investment. The country has sold equities for hard currency on the B share markets in the cities of Shanghai and Shenzhen. Nicholas Lardy has commented:

“China was awash in foreign capital in the mid-1990s” (Ash & Kueh, 1996, p.107).

Hertz (1998) has identified one of the ‘special characteristics’ of the Shanghai stock market as State interventionism. The stock market in China, Hertz has observed, is a State engineered safety valve, which to some extent has filled the vacuum left by the collapse of the Maoist credo.

After a brief period of deflation in the 1980s, China rebounded in 1992 to become the world’s fastest growing economy.³ But, on June 25th 1997, Asia’s economic miracle imploded, although Greater China escaped, very largely due to government management of the crisis.

Lardy (Ash&Kueh,1996) has concluded that China will evolve, like other Asian States, from authoritarian state corporatism to a more liberalised societal corporatism, in preference to any form of democracy. While Jean Oi (Ash&Kueh,1996) has acknowledged that China’s State has evolved a decentralised system of intervention, which when allied to the proper incentives will allows its officials to play an entrepreneurial role. Whether the localities to which power has been devolved from the centre can continue to grow in power without fatally damaging the strength of the centre is a matter of conjecture. Federalisation, Oi and Lardy have argued, would be the best solution.

The sustainability of growth in China is vulnerable, and the rapid growth has undoubtedly been achieved at low entrance barrier levels. The challenge for China is to ensure that the officials in the central bureaucracy can continue to provide institutional and technical support, but not interference, to the growing army of entrepreneurs. China is managing its economy well within the constraints of a

³ Much smaller countries such as Hong Kong (6 million), Taiwan (22 million), extremely homogenous societies, South Korea and Japan, or underpopulated countries experiencing a

developmental East Asian style dictatorship. It is laying the foundations of a modern economy, but shows no signs of political liberalisation or a shift to multi-party politics – a condition of economic maturity. There is reason to suppose, therefore, that its economic transition to developed nation is uncertain.

Is there a speculative environment in China?

In the 1980s the Communist government of China reconstituted the stock market. The State issued 54 billion RMB worth of government bonds to finance its deficits and soak up inflation. The Chinese authorities allowed markets for secondary market trading to be set up in seven big cities, so that dealers could trade those bonds at prices reflecting market conditions. By June 1988 secondary markets had been expanded to 54 cities, with eight in Guangdong alone. Futures markets were also established in the 1990s.⁴

The country has three small stock markets, one in Shanghai (bonds), Shenzhen (stocks) and Beijing. Shanghai is the market for China's blue chips, mainly large State enterprises, Shenzhen the market for smaller entrepreneurial companies. The Shanghai stock market has created three separate share markets: the A for Chinese companies, B, for foreign companies wishing to invest in China and the H market for Chinese companies listed in Hong Kong (Hertz, 1998).

In February 1992, Shanghai and Shenzhen listed their first B shares. Prices are quoted in US\$ in Shanghai and HK\$ in Shenzhen. China is attempting to create a full legal framework for its stock markets and has kept control of the money supply through the bond market, by issuing bonds with attractive interest rates, which soak up excess money, threatening to fuel inflation.

temporary commodity boom (Saudi Arabia in the 1970's had only previously matched this kind of economic performance (World Bank, 1997)

⁴ In December 1990, China opened a nation wide computerised bond-trading network, the Securities Trading Automated Quotations System (STAQS), which can expand to include stocks as well as bonds. In 1991, China issued Yen bonds, and in 1992, Hong Kong and US\$ bonds. In February 1992, Standard & Poor began rating China's foreign debts by Western standards. In October 1990, China opened a Futures market in Zhengzhou, and later Futures markets for rice in Jiangxi, Wuhan and Anhui, corn in Changchun and peanuts in Shandong. These markets were instituted to smooth grain prices and avoid violent fluctuations. (Hertz, 1998)

Stock fever (*gupiao re*) in China has become a feature of Shanghai life, a little like revived Mao fever (Hertz,1998). The characteristic of a *re* is that everyone is doing the same thing at the same time. Mao fever was characterised by the sudden appearance of millions of laminated pictures of Chairman Mao in the shops and stalls of private entrepreneurs and on the rear view mirrors of taxi cabs in the early 1990s.

With *re*:

“It is not the simple desire to make money which feeds stock fever, but stock fever which creates this apparently simple desire to make money.” (Hertz 149,p81,1998)

There are, according to Hertz (1998), three new Chinese economic personalities which have been thrown up by the stock market: big players, scattered players, and the State. The big players (*dahu*) have suddenly become very rich and are spending their money actively and freely, often on art.

Hertz (1998) has insisted that the stock market has its own rules, which suggests that beyond a certain size, markets can no longer be controlled by the State and a trading crowd sets the tone market. The State, in the form of government sponsored investment organisations, will, however, continue to play a major role.

Is there a high standard of living in China?

Although China does not suffer from the great disparities of wealth of other transitional economies, there are regional differences. The residents of the Eastern Sea board cities and provinces are markedly better off than those who live in the West and Central provinces, with the exception of the city of Chongqing.

Coastal Zone citizens enjoy incomes greatly in excess of the national average of 630 RMB (\$5,040)(Hertz, 1998,Overholt,1993)⁵.

⁵ Shanghai (1665 RMB per Capita), Beijing (1261), Tianjin (1069), Zhejinag (1045), Guangdong (952). Guangzhou's total GDP in 1996 was 144.58 billion RMB, and the city registered 13.1% growth. Shanghai's total GDP in 1996 was 290.22 billion RMB, with GDP growth of 13%.(Hertz,1998)

In 1996 Guangdong achieved an annual real growth of 13.1% a double digit year on year growth rate stretching back to 1979, surpassing even the 10% growth of HK Singapore, Taiwan and South Korea in their heydays (Overholt,1993). These extraordinary figures are the result of a giant joint venture between Hong and Guangzhou. Guangzhou's main asset was a vast number of overseas Chinese businessmen with their roots in the city.

Shenzhen and Zhuhai benefit hugely from Hong Kong investment. The State Administration of Foreign Exchange Control for Guangdong estimated that in 1990 foreign exchange transactions amounted to 25% of the province's GNP, and some of the biggest indirect investors were the Taiwanese (Ferdinand,1996). Thirty percent of Hong Kong's currency circulates in Guangdong, where the HK\$ is accepted as naturally as the RMB. It is clear that Guangdong is moving swiftly along the path of market exchange rates, and foreign investment liberalisation. Guangzhou has developed into a significant art market centre in the last ten years due in great part to the great amounts of money swilling around in Guangdong's regional economy.

The standard of living in China is low by international standards. As late as 1985 more than 100 million Chinese had to subsist on an annual income of less than \$30 per annum. The people of 520 of China's 1,903 counties today have incomes less than \$35 per annum. In some cases the total value of possessions in a peasant household is less than \$3. (Overholt,1993). Overholt has suggested that China's living standards are about as high as Thailand's, but could be four times that figure in certain coastal regions, as much as US\$1,800 a year. Laurence Summers (former World Bank Chief economist) estimates inhabitants of some coastal regions enjoy annual incomes of \$2,500 (roughly one tenth of US). Rural income is about 40% of urban income, although growth rates have been at their greatest in the inland provinces of Xinjiang and Yunnan (The World Bank,1997).

Joseph Chai (Ash&Kueh,1996) has confirmed that living standards have risen quantitatively -1978 real per capita consumption in China has risen at an average annual rate of 7%, more than 3.5 times that of the preceding 21 years and the

standard of living of the average Chinese citizen in 1990 was more than double that of 1978 - but growth has been uneven. During the first phase of reforms (1978 – 1985) the consumption standard increased rapidly without widening existing income disparity, and consumption growth averaged 9%. During the second phase (1985-90) improvements in consumption standards slowed significantly amidst rising inflation and growing income inequality, and consumption growth averaged only 4%. Rural – urban income disparity appears throughout China. Since 1985 rural real consumption has slowed, whereas urban has increased. In addition, urban and rural consumption differs from region to region and from city to city.

Consumer demand in the big cities is falling dramatically. From November 1997 until June 1999 retail prices have been falling in consecutive months. The deflationary trend is deepening, with prices down 3.2 % in the first five months of 1999 (Kynge, June, 1999). China's oversupplied retail market has seen price falls and retailing margins decline for most of the 1990s. One of the reasons for this decline in expenditure in China is because in the mid 1990s China's city dwellers went on a shopping spree and acquired all the consumer goods they needed. The urban-rural gap in consumer purchasing power has frustrated the retailers in search of the second tier of demand. Residential home building may be increasing, but I have observed that the prices in commercial sectors of Beijing and Shanghai of up to \$150,000 for a two bedroom flat is proving too great for locals.

Chai (Ash&Kueh, 1996) has seen little evidence of other forms of consumer satisfaction such as access to health care and education, availability of social and economic security, and notes that there is ever greater environmental degradation. Dupont (1998) has noted not only the dramatic increase in the urban population and the formation of peri-urban corridors but also that cleaning up the ravages of pollution was costing some 15% of China's GDP. Dupont has gone on to argue that China will find it difficult to support its population by 2025.

“ High levels of population growth also erode the benefits of economic development and modernisation” (Chipman et al, 199,p.22)

Elasticity for housing and services rose significantly for urban and rural households, respectively, during the reform periods. Elasticities for daily goods and consumer durables increased for rural households over both reform periods, but decreased for urban during the second reform period, indicating that some basic durable goods had reached saturation, or that income was being diverted for private housing construction.

A comparison of China with Taiwan (late 1960s) and Japan (1955-1960) at similar levels of development shows that although the living floor space in China in 1985 greatly exceeded that of Japanese households in the late 1950s and even Taiwan in 1974, the quality of housing remains extremely poor.

Wu Yanrui (1999) has observed that ‘brown’, electronic goods have largely replaced the *sandajian* (three big items), of the 1970s and 1980s. This is a sign, he has argued, that consumer demand in China has become much more sophisticated (see fig. 45).

(Fig 45)Consumer luxury consumption in Beijing and Shanghai in 1997

Ownership of consumer Items	Durable goods in selected Beijing	Regions (Source Wu.1999) Shanghai
Kitchen appliances		
Electric cooking appliances	46.6	180
Freezers	13.6	1.6
Range hoods	47.2	44.4
Refrigerators	105.4	100.6
Entertainment equipment		
B/W televisions	30.8	27.2
Cameras	87.2	52.4
Colour televisions	119.2	112.6
Game machines	37.6	36.2
Hi-fi systems	16.6	14.8
Pianos	2	2.4
Cassette recorders	113.8	99.2
Video recorders	57.8	51.2
Transport equipment		
Bicycles	249	124
Motor bikes	3.4	1
Trishaws	10.8	0.6
Other durables		
Air conditioners	14.2	49.8
Air cooling /heating machines	4.6	4.4
Electric fans	138.8	224
Hot-water systems	52	42.4
Sewing machines	61.2	73
Vacuum cleaners	20.4	38.8
Washing machines	101.4	82.2

Original Source

Note: The figures are the mean per 100 households

Source: State Statistical Bureau (1997)

The government’s aim to achieve a ‘moderate comfort’ (*xiaokang*) for its citizens and bridge the gap between it and neighbouring Asian countries at comparable

stages of development has not been reached. Despite the likely increase in the consumption of consumer durables, China is unlikely to reach Japan's level of development in 1964 by the year 2000.

Concluding remarks on macro economic and political situation in China

China's refusal to contemplate an independent Taiwan, and its policy of assimilation of the so-called other Chinese nationalities living within China, are potentially explosive situations. Stability within China, and Greater China hangs on a tenuous thread.

With regards to the economy, a political safety valve as far as the State is concerned, the World Bank China 2000 Report (1997) notes that China needs to create more room for markets to operate, and to distinguish between the role of the market and that of the State. The deteriorating environment also needs to be addressed. Income insecurity and inequality, is creating disaffection amongst China's urban and rural poor. Somehow, China must also find a way to feed 20% of the world's population using 7% of the world's arable land. The country needs to show greater openness and transparency in its trade relations. If China is to continue its meteoric rise over the next 25 years; the Bank concludes that the government must maintain the momentum of reforms and skilfully manage the macro and sectoral elements of the economy.

It is important for a transitional economy to alter incentives, not just for individuals but for government agencies and officials as well, and successful reform involves the relentless introduction of choice, alternatives and competition into the environment, and at all levels of the economy (Walder, 1996). To fail to do so leads to de-motivation and corruption. So, China must continue to push the commercial revolution forward, but by so doing must expect State control to diminish. At the same time China would do well to monitor corruption and debt which are proving to be destructive forces.

China has many hurdles to overcome before it lives up to its popular billing of potentially the world's largest economy of the 21st century.

IISS' 1998/9 Strategic Survey concludes in its review of China by arguing:

“ The past year has clearly demonstrated that China, a potentially great country, is still beset by social and economic difficulties at home, and has not yet found what its proper role in the world should be. The country and its leaders gravitate between a sense of their own superiority and a realistic appraisal of their present weaknesses. As a result flashes of arrogance mix uneasily with periods of self-doubt... A China that is comfortable with itself and its place in the world can be an asset; a prickly country, undeterred, can become a menace” (Chipman et al,1999,p.186).

Hong Kong's macro economic and political situation

Is the government politically strong in Hong Kong?

Hong Kong, today, is a complex export-processing zone. In order to sustain its position it must continue to enjoy certain political and economic freedoms, that are enshrined in Hong Kong's 'Basic Law', guaranteed by the UK and international community.

The key elements of Hong Kong's economic success have been the Authority's consistent encouragement of free trade, the free-flow of capital, open competition and market flexibility. A transparent, rules- based policy framework, linked exchange rate, prudent fiscal policy, firm financial regulation and a non-interventionist stance have also facilitated quick adjustment to shifts in comparative advantage. These conditions have encouraged Hong Kong entrepreneurs to take advantage, rather than resist, the forces of globalisation.

According to the IMF (August,1997) the safeguarding of law and the impartiality of the judiciary improves the efficiency and accountability of the public administration and ensures the free-flow of information. As long as the 'one country – two systems' approach (dreamed up in the 1980s with Taiwan in mind)

and ‘Basic Law’ remain, Hong’s stability and prosperity will continue (IMF, August, 1997).

It should be remembered, however, as IISS have explained:

“China is prepared to be particularly assertive over Hong Kong, and the outside world feels it has few cards to play against such assertiveness.” (Chipman, et al 1998, p. 174)

Any discussion of Hong Kong’s future should take into account the principles of the Basic Law as summarised in fig. 46.

(Fig 46)The Institutional Arrangements for Hong Kong after 1997 (Source: Baker & McKenzie,1998)

Constitutional framework for Hong Kong Special Administrative Region laid down in Sino-British Joint Declaration (1984) and the Basic Law of Hong Kong Special Administrative Region of PRC (1990) Under this framework, the Region is to remain autonomous in all but two areas, foreign affairs and defence – for 50 years after July 1 1997.

Key provisions with respect to the economic and legal system of the HKSAR are these:

- The Socialist system and the policies shall not be practised in the Region, and the previous capitalist system and way of life shall remain unchanged for 50 years.
- Law shall protect the rights of private ownership of property and investments.
- The land and natural resources within the Region shall be state property and shall be managed by the Government of the HKSAR
- The laws previously in force in HK – the common law, rules of equity, ordinances – shall be maintained, except for any that contravene the Basic Law.

On Public finances, the Joint declaration and Basic Law guarantee:

- Independent finances of the Region and use of its resources exclusively for its own purposes
- Freedom from taxation by the Central Government of China in the Region.
- Independent tax system and own tax laws of the Region, taking the low tax policy preference.
- Prudent budgetary principles consisting of (i) keeping expenditure within the limits of revenue in drawing up the budget, (ii) striving to achieve fiscal balance (iii) avoiding deficits, (iv) keeping the budget commensurate with the growth of GDP.

On Monetary and exchange rate systems the key provisions are:

- Independence of the Region in monetary, financial, regulatory and supervisory policies
- The HK\$ shall remain the legal tender and a freely convertible currency fully backed by foreign exchange
- Freedom from all foreign exchange controls in the Region.
- Free movement of capital within, into, and out of the Region.
- Management and control of the Exchange Fund by the Government of the HKSAR primarily for the regulating the exchange value of the HK dollar.

In addition in Sept 1996, Chinese authorities defined monetary relationship between HK and China as “one country, two systems”, as one country, two currencies, two monetary systems, and two monetary authorities that are mutually independent.

HKSAR shall also maintain autonomy in its external economic relations (including the status of free port and tariff-free zone, separate customs territory, and participation – in an appropriate capacity- in relevant international organisations), immigration controls on foreign persons, and other policies (land leasing, shipping, civil aviation, social services).

Does the Hong Kong enjoy economic prosperity?

Hong Kong's economy has expanded by 6.5% annually since 1980, and evolved through three business cycles. Between 1980 and 1989 exports led growth. From 1990 – 1994 domestic demand was the driving force, and was consolidated from the second half of 1994 to the first half of 1996 (IMF, August 1997).

Growth rates have become progressively lower and more stable throughout the 1990s, reflecting a maturing economy and a structural shift from manufacturing to services. Also, Hong Kong's increasing integration with mainland China has meant that its business cycle has become more synchronised to that of the mainland's.

The under-performance of Hong Kong in the 1990s (av. GDP 5% growth) is misleading because of its re-structuring to accommodate Guangdong's local economy (IMF, August, 1997). From 1979 to 1997, two thirds of investment and between 25%-30% of all China's foreign earnings came through Hong Kong. By the early 1990s Hong Kong entrepreneurs owned most top hotels and night-clubs in China, and took the lion's share of infrastructure project contracts. The Shanghai Port Authority, for example, has sold a 50% interest to the Hong Kong registered company, Hutchinson. In November 1992 Hong Kong companies invested \$1.4 billion to modernise the suburbs of Beijing, and its companies now employ some 3.65 million industrial workers, most, but not all, working in China (Overholt, 1993). As Chinese companies make post-reunification S.A.R Hong Kong their international base, and as its leading brands and names such as Hutchinson and Hopewell become market leaders, the city-state could become a centre for recognisable firms and brand names.⁶ China also has significant holdings in Hong Kong Telecom, Cathay Pacific, and many ITICs (Montagnon & Kynge, May, 1999) are listed subsidiaries on the Hong Kong stock market. In 1992, a survey undertaken by the government of New South Wales and Sydney revealed that Hong Kong held 51 % of Pacific Asia's regional Head

⁶ The Department store, Shanghai Tang, for example, could soon become an internationally recognised Chinese brand. Something Chinese companies have found difficult to achieve in the retail sector. (Int. 113)

Quarters, Singapore, 29% and Tokyo 20%. It is also interesting to note, as Overholt does (1993), that the territory's superior cultural environment acts as an incentive to encourage major companies to establish a presence.

"Hong Kong is now at the confluence of three of the most powerful economic forces in world history: the Chinese economic takeoff; the regional Asian economic takeoff, and the era in which the Asian services takeoff." (Overholt,1993,p.148).

Hong Kong is the third largest centre in terms of offshore loans registered and it serves as an 'airlock' (Overholt,1993) between China and the world.

Overholt (1993) does not accept the prevailing views among bankers that Hong Kong will lose its pre-eminent role as a regional financial centre, counter-arguing that the territory is in the best position to finance Asian growth. He bases his argument on the fact that Hong Kong has the greatest critical mass of skills in the region, and this will combat the growing liberalisation of other possible regional financial centres, like Taipei.

Is the Hong Kong economy soundly managed?

One of the secrets of Hong Kong's success lies in the clear division between private and public sectors. Institutional factors such as a sound and transparent legal system, independent judiciary, neutral civil service, free flow of information and a small, efficient administration have contributed to creating an atmosphere conducive to economic expansion. Hong Kong's rules based macroeconomic policies and firm regulatory framework have also been important factors. Monetary and exchange rate policies, for example, have been determined by currency boards, and are under the linked exchange rate system, established in 1983. Monetary policy has a single objective: to maintain a stable exchange rate between the US and HK dollar.

The fundamental elements of the existing policy framework: openness, freedom from foreign exchange and trade controls, small government and the avoidance of budget deficits, are embedded in the 'Joint Declaration' and the 'Basic Law'.

Under the Basic Law, budgets are to be independently set by Hong Kong policy-makers. China and Hong Kong will continue to have separate monetary systems, two currencies and two monetary authorities. Hong Kong will also continue to participate in international organisations and subscribe to international treaties (IMF, August, 1997).

Is there a speculative environment and high standard of living in Hong Kong?

Hong Kong's stock market is the largest in the region, while real estate and land speculation are two other areas in which Hong Kong speculators are active. The Hong Kong property and real estate market revived at the end of 1998, with investors buying at the market's trough, after prices collapsed at the onset of the Asian 'economic flu'.

With its population of about 6.4 million people and small land mass – 1,095 sq. km- Hong Kong is an economic power house with a GDP equivalent to US \$ 155 billion and total trade worth US\$ 440 billion with bank assets valued at over one trillion \$US in 1996. Hong Kong is, according to the IMF(August, 1997):

- The world's seventh largest trading entity
- The world's fifth largest banking centre, fifth largest foreign exchange market
- The world's fourth leading source of foreign direct investment
- The world's busiest container port
- One of the world's most prosperous economies, with per capita GDP of US\$ 24,500, comparable to all but the wealthiest industrial countries

Closing remarks on the macro economic and political situation in Hong Kong

The safeguarding of Hong Kong's Basic Law, and the legislative independence of the executive, are crucial conditions for the preservation of Hong Kong's economic health and status. Any signs that freedoms are being curtailed, and the

independent rule of law compromised, will send shock waves through the business world and undermine Hong-Kong's premier position as a gateway to China.

Taiwan's macro economic and political situation

Taiwan's economic development over the last one hundred years has been very different to China's. Peter Ferdinand has noted (1996) that the Taiwanese and Chinese also have different historical traditions, and the Taiwanese a cosmopolitanism lacking in the inhabitants of the China. Much of the population, descendants of people escaping persecution on the mainland, speak dialects found only in South Fukien. Taiwan's democratic society is also at odds with the 'Socialist' ethos on the mainland. The Economist (Nov, 1998) makes clear the stark differences between the two societies when it writes:

"Unlike people in once-divided Germany or still-divided Korea, most Taiwanese just do not feel any particular brotherhood with their relations across the straits, aside from a distant genetic one. This may always have been so, but it is only since the second big change – Taiwan's democratisation – that it has mattered" (The Economist, Nov, 1998).

Is the government of Taiwan politically strong and the economy well managed?

Taiwan has manoeuvred its relationship with the mainland onto a new footing in recent years, responding, according to Gerald Segal (July, 1999) to domestic political considerations. It has unilaterally tried to re-define its status with China as State to State. Chinese thoughts of deal making with the KMT over unification, above the heads of the Taiwanese people, is less likely, since the power to influence policy on democratic Taiwan now resides with the electorate (Int158).

Taiwanese politics has moved on radically in the 1990s, independent of the mainland. The ending of martial law in 1987 has led to the establishment of a free and critical press, and although I have observed that television remains censored, cable television stations broadcast independently. Private radio stations, broadcasting in Fukienese or Hakka, have created a self-identity in non-mainlanders. Three main political parties now compete for votes: the original

Kuomintang (KMT), Democratic Progressive Party (DPP) founded in 1993 and the New Party (NP) (founded in 1995, and made up of disaffected members of the KMT).

In December 1994 the DPP won the mayoralty of Taipei, and now hold about a third of the legislative seats. I have recorded that it has significantly softened its stance on independence. Ironically, KMT president, Lee Denghui's⁷, July 1999 assertion that China and Taiwan should conduct its relations with China on a 'State to State' basis, mirrors the DPP's position (Kynge, July, 1999). The DPP, reacting to public disapproval of alleged corruption within the KMT party, has also drafted a new constitution for Taiwan, which envisages fundamental changes in the Republic's political institutions (Dickie, August, 1999). I noticed that the 1995 elections, which moved China to threaten the island, resulted in the return to power of Lee Denghui, but a decline in support for the KMT, a small increase in support for the DPP and a great surge of support for the intellectuals of the NP. The Presidential election in 2000, promises to be a close run event between James Song, who favours a return to KMT orthodoxy, vis a vis relations with the mainland, Lien Chan (Vice President), and the maverick mayor of Taipei, Chen Shui-bian of the DPP, who leans towards political independence for Taiwan. (Int 151) (Int.158). The fact that Taiwan has such a vibrant democratic environment has enabled it to present itself to the international community as the first truly democratic Chinese State.

The United States' recognition of the mainland Chinese regime, rather than the KMT government in exile on Taiwan, as the legitimate government of China in 1979 was a great blow to Taiwan, which had withdrawn from the UN in 1971 when the Security Council seat for China passed to the mainland government. By 1979 only 21 countries maintained diplomatic links with Taipei. In 1992, the Republic of Korea transferred diplomatic recognition to Beijing, and Taiwan was left with a collection of minor states across the world whose allegiance depended on the size of Taiwan's aid package. President Lee's 'pragmatic diplomacy' has

⁷ I have used the pinyin transliteration for the president of Taiwan . However, strictly speaking this is not correct. His name appears as Lee Teng-hui in the Financial Times and IISS reports, and , most significantly, in his passport.

ensured that economically vulnerable small States continue to recognise Taipei, the most recent success being the Former Yugoslav Republic of Macedonia. Contact with other major states is conducted through quasi embassies typically operating officially as 'trade centres'.

Does Taiwan enjoy economic prosperity?

Between 1953 and 1989 Taiwan's economy grew at an annual rate of 8.9%. Its average annual rate of GDP growth from 1982-92 was 10.6%, the highest in Asia and higher than the 9.1% achieved by China over the same period. Taiwan is today a developed industrial nation and the twelfth largest trading nation in the world. From 1960-73 Taiwan maintained growth primarily through exports. Between 1973 and 1983, and despite the 1974 oil crisis, Taiwan achieved and maintained these record levels of growth by stimulating the domestic economy. By the time of the second oil crisis of 1979-80 Taiwan was economically self-reliant. In the 1990s Taiwan has become a centre for high technology manufacturing and aims to become a regional financial services centre in the next five years. Many Taiwan companies have invested overseas, subcontracting much work to the mainland and to "frontier" towns like Dongguan⁸.

Is there a speculative environment in Taiwan?

With the dramatic increase in individual wealth in Taiwan in the 1980s came inflation, particularly in land prices and a gambling fever, bearing similarities to *gupiao re* on the mainland in the mid 1990s. I have observed the way Taiwanese society has been overtaken by a game called *da jiala* (Everyone is happy), which involved betting on daily movements on the stock market. Towards the end of the 1980s a proportion of the work force abandoned their day jobs and devoted themselves to stock market speculation. In rural areas I have observed colour-coded stock-listings to assist illiterate farmers.

⁸ Taiwan was the fifth largest exporter of capital between 1986 and 1993, and its \$33.5bn in direct investment places it twelfth in the world. The overall investment environment in Taiwan now ranks third (Impact, 1999)

Property prices in Taipei have increased at such an alarming rate for much of the 1990s that the buying of apartments in advance of construction, and their sale often before construction was complete, has reaped huge profits for many individuals. On the outskirts of the Southern City of Tainan I have noted how farmers abandoned their traditional livelihood and sold their land for re-development, as land prices rose 30 fold. Gambling, centred on the pool hall and *mah jong* board, proliferates. The Taiwanese also have a system of small-scale friendship banks called *hweis* which rely on the skills of the cartel to invest the joint fund skilfully in order to realise monthly dividends.

During the bubble economy from 1989 to 1991, the TAIEX climbed to 12,000 points at its peak in 1990, and fell to just over 2,000 in 1991 (National, Securities, Corporation, July 1999). One of the reasons for this lay in speculation in the property market and a resultant surge in property prices, which increased by up to three times their value. The Taiwan missile crisis of 1996 and Lee Denghui's current rebuttal of the 'One China' policy has affected the market only slightly, and in both cases Taiwan's extensive foreign reserves have been used to shore up the slide. Indeed, the Taiwan Index has enjoyed an average 33% post-election rally after the past 6 elections (National Securities Corporation, July, 1999). In the second half of 1998, a third market, known as a 'registered Stock Trading System' opened, modelled on NASDAQ, providing for 1,400 companies.

Is there a high standard of living in Taiwan?

Taiwan's GDP per capita income has increased steadily year on year since 1990, and although considerably less than that of Hong Kong's, the size of the income disparity is affected by the recent currency depreciation of the \$NT. It should also be remembered that Hong Kong is a small city-state, not a de-facto country like Taiwan, and therefore does not have its broader economic responsibilities. Nevertheless, the level of income of Taiwan's inhabitants compares favourably with the developed world and has been increasing year on year throughout the 1990s (see fig 47).

(Fig 47) Per Capita GDP in a basket of countries

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Taiwan	8111	8982	10470	10852	11597	12396	12836	13198
USA	23068	23482	24491	25478	26681	27690	28789	30247
Japan	24177	27643	30165	34625	37822	41290	36898	33616
Germany	23964	21712	24587	23607	25132	29288	28375	25299
France	21072	21052	23047	21677	22988	26410	26363	23774
UK	17088	17620	18228	16287	17733	19306	20276	22569
S,Korea	5883	6757	7007	7484	8467	10037	10543	9511
Singapore	12494	14149	15634	17909	21065	24559	25678	25776
Hong Kong	13111	14956	17357	19660	21674	22618	24423	26614
China	343	354	415	509	454	571	667	N.A

Source: National Securities corporation Ltd, 19th July 1999

Incomes are only one measure of the standard of living. Increasingly environmental issues are coming to the fore in Taiwan politics. This indicates that the Taiwanese are seeking to improve the qualitative as well as quantitative aspects of their life, a sign of economic maturity and a more sophisticated approach to the broader culture.

Closing remarks on the macro economic and political situation in Greater China

The deteriorating condition of the island’s environment will, increasingly, be a cause for concern and might ultimately result in a brain and capital flight, as the wealthy and qualified choose healthier environments in which to settle. The perception of Taiwan as a developed nation will also suffer, if the island does not attempt to reverse its environmental decline. Taiwan is considerably disadvantaged by its unrecognised statehood, but has gained many unofficial ‘friends’ by embracing democratic government. The island’s economy has been one of its greatest strengths for the last two decades.

The World Economic Analysis of September 1997 rates the performance of 180 countries according to four measures. Extrapolating the results of China, Hong Kong and Taiwan and placing their results beside those of the United States and the United Kingdom, Taiwan and Hong Kong (seen in fig.48) a comparative analysis of the three territories is possible.

(Fig.48) Risk assessment of China, Taiwan, Hong Kong, US and UK in 1997

Corruption perception index	Political Risk Weight 25	Country Risk Ratings Weight 100	Economic performance Weight 25
Max 10	US 25.00	US 100	US 25
UK. 8.22	UK 24.68	UK 97.63	UK 22.95
US 7.61	Taiwan 21.33	Taiwan 88.33	HK 20.38
HK 7.28	HK 19.50	HK 85.50	Taiwan 20.14
Taiwan 5.02	China 16.00	China 71.29	China 18.97
China 2.88			

Source: The World Economic Analysis, December 1997

Greater China’s successful negotiation of the economic ‘Asian Flu’ is an indicator that the region is still on course to become a major economic force in the future. The liberalisation of China’s economy, the great flexibility of Taiwan’s, and the unique position of Hong Kong, as an ‘airlock’ between China and the rest of the world, are a potent set of advantages. Add to these, the special economic

relationship between Guangdong and Hong Kong and Taiwan and Southern China, and the picture appears even rosier.

Political relations between the three remain tense, however, and China's relation with the United States and Japan is often less than cordial. The region is potentially volatile, and this extends to regions within China, which do not necessarily share Beijing's 'one country' vision (Chipman,1999) (Int.158).

The continued degradation of the environment in Taiwan and China and the emergence of massive urban conurbations without the means to supply simple commodities such as clean water will, ultimately, affect the economic progress of the region and impact on the quality of life of its citizens. The significant increase in China's population will also compromise increases in standards of living.

These are the factors that have to be taken into consideration, before it is possible to ascertain whether this region will develop into a regional or international art market. A globally significant art market will not develop in the region until it has matched the performance of the capitalist 'centres'. Unless the economy continues to grow and the standard of living improve, the value placed on Greater China's contemporary culture will remain significantly lower than that placed on the culture of developed nations.

This generalised conclusion might appear to ignore the very different economic conditions of each territory. It is true that both Taiwan and Hong Kong have been attached to capitalist 'centres' for a considerable time: Hong Kong to Britain from 1841 - 1997 and Taiwan to Japan from 1895-1945. Since 1997, Hong Kong, and since 1945, Taiwan, have both continued to play important roles in the global economy - these two territories are developed whereas China is developing. This criticism can be answered in two ways: firstly, the severe political constraints placed on Taiwan by the international community and the vulnerability of Hong Kong's 'system' of government now that it is attached to China, have seriously weakened the ability of these two territories to represent their contemporary culture effectively through the international art market. China, on the other hand, although politically weak in capitalist 'centre' terms is much stronger than either

Hong Kong or Taiwan. Secondly, there are indications that a part of China's economy has engaged with globalisation. The stock market is a pre-eminent example, although Hertz has argued that the Chinese version has distinct 'characteristics' which set it apart from stock markets in capitalist 'centres'. One of those 'characteristics' was State interventionism, which has been shown to be evident in other aspects of the Chinese economy. It could be argued, therefore, that the advancement of China's contemporary culture on the international art market is inherently tied to the degree to which China rids itself of State interventionism and embraces political liberalisation.

Chapter 8 Conclusion

The fundamental matter for research in this thesis was outlined in the general introduction: a study of contemporary Chinese artworks from the standpoint of the global art market. The questions I have asked in order to arrive at an informed opinion on this subject are: how successful have the three territories been at establishing local and regional art markets and how developed is the international market in each of the three examples? Have the external forces of criticism, history and the macro environment, constrained or enhanced the development of art markets in China, particularly the international art market?

Running throughout the thesis is the constant enquiry into whether Greater China, and China in particular, has drawn closer to the global norm.

Other subsidiary questions that emerged in the course of my research were:

Is there some way to limit risk in the contemporary art market?

Can an artwork be in any sense defined by the gallery and the market in which the gallery trades?

Is the value of contemporary artwork affected by a drawing together by not-for-profit sector and profit-making gallery taste?

Is there a correlation between risk as defined by the art market and aesthetic and buyer risk-taking levels?

The international art market is a Western economic structure, developed in Renaissance Italy and internationalised by the Dutch in the 17th century. Since the 17th century it has been used as an instrument to gauge the value of artworks and cultural commodities from around the world, notably China.

The economic reforms of Deng Xiaoping in China in the late 1970s and the decades of global capitalism experienced by Taiwan and Hong Kong suggest that Greater China is aiming to become an integral part of the global economy. Standards of living have increased in the region in the 1990s and Western style global institutions such as the stock market are present in each of the territories.

One of the most recent Western ‘arrivals’ in China has been the international art market. It made its first appearance in the shape of Hong Kong galleries, many foreign owned, ‘sourcing’ art from mainland Chinese Art Academies in the late 1970s. Galleries like Hanart, Alishan and Shoeni were the vanguard of this movement, although they pioneered two distinct markets: the avant-garde and alternative. As a result of their activities, some contemporary Chinese artists have gained international reputations.

The exposure of contemporary Chinese art on the international art market particularly in its risk-neutral form has not, however, been, with the exception of artist stars like Chen Yifei, Ju Ming, Wu Guanzhong and Zao Wou-ki, an unqualified success. Prices have remained lower on the international art market than for Western equivalents. Nevertheless, the promotion of these artworks has generated sufficient excitement in the early 1990s for Westerners to establish dealerships in Beijing and Shanghai. The Courtyard, Red Gate, New Amsterdam Consultancy and ShanghART have built upon the pioneering work of the Hong Kong galleries and carried the idea of a commercially viable international avant-garde market to the heart of China.

Hong Kong dealers have projected the work of Chinese artists onto an international stage, using Hong Kong “as the [China’s] direct window to the outside world” (Overholt, 1993, p.122) and employed Hong Kong’s position as an international art market centre to attract global art buyers. The Western dealers in China have sought to attract Western buyers to the source nation itself. The range of work held by Western owned galleries based in China is of less value than the stock held by Hong Kong dealers, but the strict pricing principles by which they operate, have advanced the economic standing of Chinese artists.

The Western dealerships in China are private, small-scale businesses, which have to sell a certain quantity of stock in order to survive. By far the greatest proportion of the clients of Western dealers in China are expatriate Westerners, Western tourists and business people. The work which these dealers represent, therefore, has to reflect the taste of sufficient numbers of Western clients, or a sufficient amount of interest from a few Western clients.

The Chinese dealers in China who have emerged in the last two or three years have modelled their operations on those of the Western dealers. Their clients, however, are mainly Taiwanese, Hong Kongese or Chinese. It is remarkable, therefore, to discover the degree to which the stock of these Chinese dealerships mirrors that of their Western counterparts in China and Hong Kong. There is a balance in favour of the risk-averse artwork over risk-neutral artwork. It is certainly very probable that the Chinese dealers who have appeared in Pudong, in particular, but also in the new residential developments such as Gubei, both in Shanghai, will find many of their future clients from amongst the newly rich Chinese *dahu* and business community.

A little after the Hong Kong dealers' exploratory forays into China, Taiwanese dealers had looked at risk-averse artwork in China - Chinese oil paintings - with a view to commissioning them to supply a Western style local art market in Taiwan. This segment of Taiwan's local market is sustained very largely by nostalgia for the motherland but also by an affection for the picturesque and sentimental. On one level it also operates on a regional level attracting the interest of Hong Kong collectors.

Interestingly, there is very little demand at the moment in China, Hong Kong and certainly Taiwan for risk-neutral artwork by Chinese artists. I would suggest, however, that interest will be kindled for this type of work in China, as Chinese taste matures, rather in the way that Taiwanese clients have grown accustomed to the work of their own avant-garde artists.

The existence of a very substantial local art market in Taiwan, of a regional art market, and the beginnings of a local art market in China itself, has had a great impact on the creation of risk-averse artwork in China and been of huge importance to risk neutral-artwork in Taiwan. It has not, however, dramatically lessened the impact of

international taste in China, since oil paintings are just as international an art form as that of the avant-garde.

So, Western style international art markets have had a great influence on contemporary art in Greater China, and the local and regional art markets that the Taiwanese, in particular, have developed alongside the international ones, have had very little fundamental impact on that international taste. At most, these local and regional markets add Chinese, Hong Kongese or Taiwanese ‘characteristics’ to the international artwork. The great irony of the contemporary Chinese artwork traded on the international art market is that it is presented specifically as the Chinese contemporary art, as the indigenous art of China (Taiwan and Hong Kong are virtually ignored by the market).

The contemporary Chinese artwork is driven by economic imperatives. Its form and more often than not its content and subject-matter, are determined by the market it chooses to enter and the risks its clients decide to take. Its two main markets, avant-garde and alternative, are Western orientated. They are motivated by the international art market’s aesthetics and values.

A vast quantity of the artwork produced in China’s source market does not enter any of the art markets. It is created in one of the two market forms that have been discussed in this study. But I argue that until it has matriculated to one of those markets it is junk. There is no pecuniary benefit to be derived from the artwork until a transaction has taken place between the artist and a buyer or dealers have expressed enough confidence in the work to represent the artist’s work in their galleries. Junk art does have latent economic value. Artwork, which has yet to be presented to the two main risk-bearing markets, also has latent-economic value.

An assessment of the sentiments and language of criticism in the two main markets revealed that politics, economic development and the constraining and liberalising forces that accompanied both, were key concerns in all three territories. It was also revealed that risk-averse artists were criticised by avant-garde critics, and that they defended their position rather weakly. The language of criticism in the commercial Chinese art market sectors and not-for-profit in Greater China and the West is

remarkably similar. This suggests that contemporary Chinese artwork in both markets, but particularly the avant-garde market, is attempting to emulate Western avant-garde achievements.

Western consumer requirements of the potters and craftsmen of Jingdezhen from the 17th to the 19th centuries resulted in the production of art objects which strongly reflected Western taste, albeit with Chinese characteristics. The motivation for the trade was profit. Later, the transfer of designs by Western designers like Pronk onto Chinese porcelain, was curtailed because the cost of production was too great, despite the high price this work fetched in the porcelain market of Amsterdam. By the late 19th century Chinese *objets d'art*, oil and reverse glass paintings had declined in importance to such a degree that they were regarded as tourist trivia.

It is a matter of degree, but the single characteristic that is shared by the artworks of the China trade and contemporary Chinese works of art in the 1990s, is the production or creation of both products for a Western or Western inspired market. A defining difference is that whereas there is little indication that export ceramics was enjoyed or purchased by the Chinese in China, export orientated contemporary Chinese artworks have found favour in one form or another with Chinese, overseas Chinese and Taiwanese art buyers. This is not a sign that contemporary Chinese artworks have particular Chinese 'characteristics' that the Chinese buyer can relate to. It is a sign that Western art markets have influenced local and regional art markets to such a degree that Chinese export artworks are in the process of becoming a global commodity.

The international art market needs to expand and grow, because profits need to be maximised and consumer choice is important in increasing the size of the market. These are the main motivational factors behind the creation of Chinese contemporary artworks in both the main markets under discussion.

Johnson Chang has argued that during the period of isolation from the West during Mao's Communist government, particularly during the years of 'The Cultural Revolution' from 1966–1976, China, in the shape of Mao, denied Chinese culture and embraced the Western inspired political philosophies of Marx. For Chang the end

of the Ch'ing dynasty marked the beginning of the end for Chinese inspired contemporary culture. This is a view which is shared by Schurmann and Schell:

“Before new ideologies could take root in China, the vast residue of tradition which persisted despite the 1911 Revolution had to be destroyed.” (Schurmann and Schell, 1967, p.4)

I would argue that the seeds of the destruction of traditional culture had been planted not by Republicans or by other anti –imperialist factions in China, but by the Western supercargoes and ‘factors’ who persuaded acquiescent Canton merchants to act as intermediaries in a trade which would make them wealthy.

The success of any art market has ultimately depended on the political strength of a particular nation or region and the economic prosperity of its society. The high standard of living enjoyed by these societies has resulted in the creation of surplus wealth, which has, crucially, been attracted to speculative, risk-taking ventures, which were in great part responsible for economic expansion. Out of this risk-taking and expansionist behaviour an international market for artworks grew into a global phenomenon with global systems of value.

The development of the Greater Chinese art market, and China's in particular, is hampered by risk averse behaviour in the past, and despite recent efforts to address this historic oversight, the management of risk falls considerably short of developed world levels today.

Taiwan faces far greater political constraints than China, despite the effectiveness of Lee Denghui's ‘pragmatic diplomacy’. It is still regarded by the West as a non-state, although its de-facto independence is protected by diluted American assurances. This situation has undoubtedly affected the development of Taiwan's international cultural profile. To some extent the political constraints experienced by Taiwan have been outweighed by the territory's tiger economy. The island's strong economic performance for most of the 1980s and 1990s has been a crucial element in the development of its local and the regional art market.

Hong Kong's political position is complicated by its return to China in 1997. There are signs that certain aspects of the Basic Law, which guarantee Hong Kong's special status within China, such as the impartiality of the judiciary, have been compromised since the hand-over. Hong Kong suffered more than either China or Taiwan from the 'Asian economic flu', having to defend its \$US peg. Property prices also collapsed in the months following the crisis and the Hang Seng index lost value. Hong Kong has, however, benefited economically from better access to Guangdong, Zhuhai and Shenzhen, and is still used as China's window onto the outside world and a funnel for inward investment into that country.

Hong Kong has been home to Greater China's only international art market for all the 1990s. It has not experienced the particular political constraints of either China or Taiwan or the economic constraints of China. It has been managed, in art market terms, as the international entrepot for contemporary Chinese artwork, with Taipei as a regional centre. There is a small local art market in Hong Kong which is strong but has not grown to the size of Taiwan's, largely because of Hong Kong's international focus which has benefited Chinese more than Hong Kong artists.

In the comparative analysis of the region's suitability as an international art market centre, China fared badly in the enquiry with the suitability of its two major art market cities, Shanghai and Beijing, measuring up poorly to its two main regional rivals, Taipei and Hong Kong. The immediate outlook is that China will remain a source market but with a slightly better regulated internal market.

Taipei is favourably positioned to become the regional art market capital although its reluctance to internationalise its activities is constraining its international ambitions. Taiwan is the regional capital for risk-averse Chinese artworks and Taiwanese risk-neutral artworks, for which it is also the international price barometer. It is therefore, an arbitrage centre for these artworks.

Hong Kong remains the international art market centre for contemporary Chinese art, and contemporary Hong Kongese painting. Chinese art market stars like Wu Guanzhong and Chen Yifei make their greatest prices in the secondary and tertiary art

markets of Hong Kong. Hong Kong's great failing is its small indigenous contemporary art market.

My research showed how important it was to consider external forces as well as the specifics of the art market's mechanisms in order to achieve an accurate assessment of the reality. This type of broad analysis suggests that all forms of contemporary Chinese art are constrained by historical and macro-political factors. It also suggests that the close relationship between avant-garde galleries and the not-for-profit sector in all three territories, revealed in critical writing and exhibitions, give risk-neutral artwork an unfair advantage over risk-averse artwork.

As we have seen through the initiatives of galleries such as Chinese contemporary and Caroline Blunden, there is a tendency in London, certainly, to represent contemporary Chinese artworks in both the institutional and commercial arenas as artwork from the mainland of China. Little attention is given to Hong Kongese or Taiwanese artworks. This is another example of unfair advantage.

Since the health of the art market is so closely tied to the health of contemporary artworks, the future viability of an art market also reflects the future welfare of contemporary artworks. Chinese, Taiwanese and Hong Kongese risk-neutral artworks in Greater China will remain a relatively insignificant part of the international art market for risk-neutral artworks. The risk-averse works out of China are more likely to develop into a substantial part of the international art market because the political and cultural associations that cling to a cutting edge avant-garde artwork, and which constrain those produced in Greater China, do not apply to these commodities.

There is reason to be more optimistic about the future of China's contemporary artworks if certain fundamental changes are encouraged at a primary cultural level, and this is the subject for further research. Johnson Chang has intimated that if China's traditional artistic skills were developed at a primary level and in the broadest possible context, the market for traditional artworks, a market we have hardly touched on, could be dramatically increased in size and influence (Robertson, Jan, 1998, March 1999). Most recently (January 2000) he confided his plans for purchasing property in the remaining canal towns in the Shanghai region and establishing

guesthouses and sign making shops, which would be financially self supporting ventures. By so doing he hopes to encourage an interest in the traditional way of life among the Chinese, thereby building a traditional base upon which a contemporary artwork canon can be established.

Separate research needs to be undertaken into the contemporary market for traditional artworks in China, Taiwan and Hong Kong. There are undoubtedly a host of dealers in Greater China and myriad auctions and appreciation societies of the traditional arts, which I did not actively seek out. I uncovered dealers who dealt in artwork that could be described as of a traditional type, but in all cases it was directed at one of the two main markets under discussion.

Further research could also be carried out into the art markets of other Chinese cities, such as Nanjing and Guangzhou. The relationship between the territories of Greater China and Singapore could be explored with profit, and trade between Taipei and the United States in risk-averse artworks could be researched. The political and economic rate of change in the region has been extremely rapid in the 1990s, and there is every reason to suppose it will be as rapid in the first decade of the 21st century. The art market's reality changes as rapidly as the macro environment, so Greater China's art markets could be reviewed (with profit) on an annual basis.

A note about the Appendices

The Appendix is divided into eight sections:

- 1.The Gallery Survey.
- 2.Auction and Private Treaty Sales.
- 3.Legal Aspects of conducting business in Taiwan and Hong Kong.
- 4.Interviews.(1-160)
- 5.Exhibitions.(1-92)
- 6.Artist Studio Visits. (1-37)
- 7.Bibliograpahy.
- 8.Illustrations. (1- 37)

The Gallery Survey

The Gallery Survey measures the effectiveness of 73 art galleries in Taipei (including 2 in Taichung and 2 in Kaohsiung), Shanghai, Beijing and Hong Kong, according to four criteria:

The ability of the gallery to:

- Set trends in the respective markets. Work which falls into the avant-garde category is likely to be more highly regarded in this category than the alternative art market work: Trend setter
- Achieve the top prices in its respective market: Top prices
- Promote the work of its artists through the media, via the public gallery system, and, overseas, through government agencies and the gallery’s own networks: Promo
- Present the work of its artists pleasingly and impressively in exhibitions. The size, design and quality of the gallery space are extremely important in this assessment: Present

Galleries are scored from 0-5 in each category, according to their effectiveness (see fig 1)

Fig 1		
Galleries that score 18,19 or 20 points out of a total of 20 points, are regarded as	A1 category galleries	
Galleries that score 16 or 17 points, are regarded as	A category galleries	
Galleries that score 13,14 or 15 points are regarded as	B1 category galleries	
Galleries that score 11 or 12 points are regarded as	B category galleries	
Galleries that score 9 or 10 points are regarded as	C1 category galleries	
Galleries that score 7 or 8 points are regarded as	C category galleries	
Galleries that score 1-6 points are regarded as	Junk category galleries	

The column before the name of the gallery is used to describe the market in which the particular gallery operates. (see fig 2)

Fig 2	
AG	(avant-garde art market)
AAM	(alternative art market)
JAM	(junk Art Market)

Auction and Private Treaty Sales

This Appendix lists the prices of individual works of art by contemporary Chinese and Western artists who have come up for auction in the 1990s in Taipei, Hong Kong, Beijing and London. It is divided into categories in fig 4.

Fig 3	
The work of Chinese artists in general	- 321 results
Chen Yi fei	- 22 results
Wu Guanzhong	- 49 results
Zao Wou-ki	-
39 results	
The work of AG Western artists in general	- 104 results
Major Western AG artists	- 35 results

The work of the main body of Chinese artists appears under the following headings:

- Name and nationality of the artist:

name (t) = Taiwanese, ©
= Chinese, (HK) = Hong Kongese

- The title of the work: title
- The date the work was created: date
- The materials from which the work has been created: mat
(see fig 5)

Fig 4	
O	= oil paint
C	= canvas
W	= water colour
P	= paper
A	= acrylic paint
Mm	= mixed media
G	= gold leaf
I	= ink
Cr	= crayon
B	= board
Et	= etching
Br	= bronze
Pvc	= Pvc
Pl	= plastic

Other media are written in full

- The size of the work: size

Fig 5	
T	=Taipei
L	= London
P	= Peking (Beijing)
HK	= Hong Kong
S	= Sotheby's
C	= Chrisitie's
G	= Guardian
So	= Sungari
PT	= Private Treaty

- Who sold the work, and where (fig6)
and when the work was sold (fig 7):

place

Fig 6
The date is recorded, month before
year. For example: 1097 = October
1997

- The price in the local currency:
- The price in \$US:
- The type of work as categorised by the market in
which it operates. (see fig 8)

pr local

pr US\$

type

Fig 7
ra = risk-averse
rn = risk-neutral

Wu Guanzhong and Chen Yifei are risk-averse artists
Zao Wou-ki is a risk-neutral artist

All the Western artists listed are risk-neutral artists

1. The gallery survey

Market	Gallery	Trend setter	top prices	promo	present	total	comr
AG	Hanart TZ (HK)	5	5	5	5	20	A1
AG	Hanart (Tpe) (Tpe)	5	5	5	5	20	A1
AG	Dimensions (Tpe)	5	5	5	5	20	A1
AG	Pierre (Taich)	5	5	4	5	19	A1
AG	Caves (Tpe)	4	5	4	5	18	A1
AG	Martini (HK)	4	5	4	5	18	A1
AG	Lung men (Tpe)	4	5	5	4	18	A1
AG	Lin & Keng (Tpe)	3	5	5	5	18	A
AAM	Shoeni (HK)	2	5	5	5	17	A
AG	Plum Blossoms (HK)	5	5	4	3	17	A
AG/AAM	Elegance(Tpe)	3	5	4	5	17	A
AG/AAM	Jeff Hsu(Tpe)	2	5	4	3	16	A
AG	Alisan(HK)	4	5	4	3	16	A
AAM	Han Mo Xuan (Tpe)	5	5	3	3	16	A
AAM	Modern (Taichung)	3	5	3	5	16	A
AG	Courtyard (Beij)	3	4	5	4	16	A
AAM	Hwa's (Shang)	2	5	5	4	16	A
AAM	Shanghai Yibo(Shang)	2	5	5	4	16	A
AG	ShanghART (Shang)	4	4	5	3	16	A
AG	Gate (Tpe)	5	5	3	3	16	A
AAM/AG	Longrun (Shang)	2	5	4	4	15	B1
AG	Red Gate (Beij)	4	4	5	2	15	B1
AAM	Gloria Art Centre (Tpe)	5	4	3	3	15	B1
AAM/AG	Masterpiece (Tpe)	3	3	5	3	14	B1
AAM	Chang An(Shang)	3	4	4	3	14	B1
AG	IT Park(Tpe)	5	2	3	4	14	B1
AAM	J Gallery (Shang)	1	5	4	3	13	B1
AAM	Snow Falcon (Tpe)	5	3	2	3	13	B1
AAM	River Star (Tpe)	1	5	4	3	13	B1
AAM	Shoreman (Tpe)	3	4	2	4	13	B1
AAM/AG	Qin (Beij)	3	3	4	3	13	B1
AAM	New World (Tpe)	1	5	5	1	12	B
AAM	Bei (Shang)	1	5	4	2	12	B
AAM	Creation (Beij)	2	3	4	3	12	B
AAM	Tien Fang (Beij)	4	2	3	3	12	B

Market	Gallery	Trend setter	top prices	promo	present	total	comr
AG	Front (Tpe)	5	2	2	3	12	B
AAM	Howard (Tpe)	2	5	4	1	12	B
AG	Mountain(Kaoh)	5	0	2	5	12	B
AAM	Soka (Tpe)	3	4	2	3	12	B
AG	Wen Fa (Tpe)	4	2	2	4	12	B
AG	Hanmo (Beij)	3	1	4	3	11	B
AAM	Chuan Cheng (Tpe)	1	4	3	3	11	B
AAM	Metaphysical (Tpe)	0	4	3	4	11	B
AAM	Imavision (Tpe)	0	5	3	3	11	B
AAM	Elegant (Shang)	3	1	4	3	11	B
AAM	Shang Chen ching(Tpe)	0	5	3	3	11	B
AAM	Apollo (Tpe)	2	3	3	3	11	B
AG	Unquiet (Koah)	5	1	1	4	11	B
AAM	Wang Fong (Beij)	1	3	3	3	10	C1
AAM	Ashanti (Beij)	1	5	3	1	10	C1
AG	Black Apple (Shang)	3	2	2	3	10	C1
AG	G Zen 50 (Kaoh)	5	2	1	2	10	C1
AAM	De Yuan (Tpe)	4	3	2	1	10	C1
AAM	Chan Liu (Tpe)	0	4	2	3	9	C1
AG	Fairmate (Tpe)	4	3	2	0	9	C1
AAM	Genius (Tpe)	0	4	2	3	9	C1
AAM	Julia (Tpe)	0	4	2	3	9	C1
AAM	Yung Ho Tai(Tpe)	1	4	1	3	9	C1
AAM	Molly (Tpe)	1	4	1	3	9	C1
AG	New Amstrdam (Beij)	5	2	1	0	8	C
AAM	Capital (Tpe)	0	5	2	1	8	C
AAM	East (Tpe)	0	3	3	2	8	C
AAM	Jih cheng(Tpe)	0	4	2	2	8	C
AAM	Concorde(Tpe)	1	4	3	0	8	C
AG	May gallery (Tpe)	0	5	1	1	7	C
AAM	Babisong (Shang)	2	2	1	2	7	C
AAM	Ever Harvest (Tpe)	0	4	2	1	7	C
AAM	International (Tpe)	0	3	3	1	7	C
JAM	Shanghai Stanney(Sh)	1	1	2	2	6	J
JAM	Royal Palace (Tpe)	1	2	2	1	6	J

Market	Gallery	Trend setter	top prices	promo	present	total	comr
JAM	Cybil (Beij)	1	2	2	2	7	J
JAM	Yi ren (Shang)	0	0	1	1	2	J
JAM	Pro Art (Tpe)	0	1	0	1	2	J

2. Auction and private treaty sales

name/nationality	title	date	mats	size	place/type	price/local	price\$US
Zao Wou-ki©	crow of the crescent moon	1950	o/c	18x27	TS1093	250,000	9,476
	paravent	1962	o/b	80x52	TS1093	560,000	21,228
	abstract landscape	1987	o/c	95x105	TS1093	1,200,000	45,489
	29.1.63	1963	o/c	116x89	TC498	6,650,000	252,084
	voie lactee	1956	o/c	162x114	TC498	6,650,000	252,084
	1.4.68	1968	o/c	180x195	TC498	8,300,000	314,632
	25.2.63	1963	o/c	130x97	TC498	6,100,000	231,235
	untitled	1958	o/c	60x81	TC498	3,350,000	126,990
	still life with a bottl	1951	i/p	23x31	TS1097	195,500	6,412
	pilgrimage	1951	i/w/p	31x23	TS1097	230,000	7,544
	eiffel tower and			45x36			
	bamboo landscape	1949	w/p	46x38	TS1097	575,000	21,796
	17-4-64	1964	o/c	114x162	TC1098	6,100,000	231,235
	ville engloutie	1954	o/c	60x73	TC497	2,030,000	73,486
	untitled	1959	o/c	193x96	TC497	5,770,000	189,256
	deer in the woods	1948	o/c	31x25	TC498	1,035,000	33,948
	les bateaux	1951	o/c	55x46	TC498	2,470,000	81,016
	1.10.62	1962	o/c	92x60	TC498	3,350,000	109,880
	28.2.77	1977	o/c	55x66	TC498	1,590,000	48,401
	red abstraction	1964	o/c	50x46	TC498	2,140,000	65,144
	trees in the forest	1950	w/p	20x26	TC499	552,000	16,829
	blue	1959	o/c	65x85	TC499	3,350,000	102,134
	la meritienne	1956	o/c	86x92	TC499	6,430,000	196,036
	illuminations	1967	e/acq	8 etchin	TC499	149,500	4,557
	untitled	1960	lit (100)	46x49	TC499	36,800	1,121
	untitled	1959	litho	46x52	TC499	69,000	2,103
	19-8-87	1987	o/c	95x105	TC499	3,570,000	108,841
	abstract / street	-	o/c	49x65	TS392	1,320,000	51,562
	abstract	1976	i/p	33x44	TS1098	126,500	3,850
	abstract (8)	1972	etching	-	TS1098	460,000	14,003
	bad ausse	1951	i/p	31x23	TS1098	207,000	6,301
	notre dame, paris	1953	o/c	53x66	TS496	897,000	32,471
	man in forest	1950	i/w/p	36x26	TS496	172,500	6,244
	reconciliation of						
	opposites	1951	i/p	33x42	TS1096	207,000	6,789
	la ville blanche	1955	o/c	45x65	TS1096	920,000	30,176
	remote blue sky	1997	o/c	101x102	PG499	665,000	80,120

name/nationality	title	date	mats	size	place/type	price/local	price/\$US
Wu Guanzhong©	paddy fields	1979	o/b	25x35	TS1097	920,000	30,176
	under great wall	1974	o/b	45x61	TS1097	2,360,000	77,408
	xiao xing	1977	o/b	46x60	TS1097	2,470,000	81,016
	white poplar, mou-						
	untain peach	1975	o/b	65x46	TS494	1,700,000	64,442
	li river	1977	o/b	38x48	HKS1197	368,000	47,840
	scene in jiangnan	-	w/p	28x37	HKS1197	178,250	23,172
	high wall	1980	g/p	53x38	HKS1197	345,000	44,850
	harbour view HK	1990	i/c/w	68x82	HKS1197	276,000	35,880
	lotus	1973	o/c	61x50	HKS1197	1,505,000	195,650
	paris after 40yrs	1989	i/c/p	49x69	HKS1197	230,000	29,900
	loess plateau	1989	i/c/p	70x95	HKS1197	322,000	41,860
	morning scene,						
	fuchin river	1963	o/c	61x46	HKS1197	735,000	95,550
	bumper harvest	1976	o/c	46x61	HKS1197	900,000	117,000
	old wall	-	i/c/p	96x180	HKS1197	845,000	109,850
	house in peking	1974	o/b	34x25	HKS1197	345,000	44,850
	bamboo shoots	1975	o/c	73x55	HKS1197	1,340,000	174,200
	street scene paris	-	o/c	65x80	TC498	4,230,000	160,348
	lushu, home town						
	jing gang	1991	o/b	46x46	PG1097	440,000	53,140
	old pine, jingshan						
	park, beijing	1975	o/b	54x73	TC995	1,920,000	72,782
	the pillar	1975	o/c	53x72	TC1098	5,550,000	210,386
	reeds by li river	1977	o/b	43x43	TC497	1,035,000	37,467
	willowy river bank						
	in early spring	1981	o/b	46x46	TC497	1,700,000	61,540
	waterfall	1985	o/b	53x45	TC497	1,865,000	67,513
	fishing harbour	1980	o/b	46x61	TC1097	3,350,000	121,270
	versailles	1989	o/c	66x53	TC1097	4,890,000	160,392
	aspen	1972	o/b	41x35	TC1097	2,690,000	88,232
	street scene/paris	1989	o/c	65x80	TC1097	4,230,000	138,744
	blossom	1974	o/b	33x29	TC498	1,810,000	55,098
	summit	1988	i/c/p	130x66	TC498	2,910,000	88,584
	yu-long mountain	1978	o/c	76x86	TC499	4,230,000	128,963
	winter evening	1963	o/b	60x45	TS392	1,870,000	73,046
	poplars	1976	o/b	45x30	TS392	682,000	26,640
	palace garden	1975	o/c	72x53	TS392	1,980,000	77,343
	peasant family						
	sichuan	1973	o/b	46x46	TS1098	1,645,000	50,076
	victoria falls	1975	o/b	50x81	TS1098	2,250,000	68,493
	mountain village						
	shandong	1976	i/p	39x54	TS496	310,500	11,240
	mountain lu	1974	o/b	46x60	TS496	2,250,000	81,450
	rocky cape	1976	i/p	26x51	TS1096	195,000	6,396
	view of jiangnam	1974	o/b	46x60	TS1096	1,260,000	41,328
	lotus pond	1975	g/p	39x54	PG499	99,000	11,927
	lake taihu	1980	a/p	30x43	PG499	96,800	11,662

name/nation	title	date	mats	size	place/type	price/local	price/\$US
Chen Yifei ©	poppy	1991	o/c	127x147	HKS1197	3,870,000	503,100
	water town	-	o/c	141x146	HKS1197	1,010,000	131,300
	water town	-	o/c	84x105	PG1097	715,000	86,352
	four graces	1997	o/c	190x208	PG1097	2,310,000	278,985
	memory of my						
	home, suzhou	1983	o/c	76x107	TC497	1,150,000	41,630
	venice	-	o/c	61x86	TS392	1,100,000	42,968
	morning .suzhou	-	o/c	51x76	TS392	1,100,000	42,968
	wind mounatin vil	-	o/c	-	PG1094	2,860,000	345,828
	lingering melodie						
	from xunyang riv		o/c	51x59	PG499	2,970,000	357,831
	the love song	1996	o/c	191x191	PG1096	1,980,000	238,554
	morning light		o/c	-	PG495	396,000	47,710
	cellist		o/c	-	PG496	1,100,000	132,530
	music by river		o/c	-	PG497	858,000	103,373
	spring on canal		o/c	-	PG497	2,310,000	278,313
	venice		o/c	-	PG498	330,000	39,759
	old shanghai		o/c	-	PG498	1,221,000	147,108
	dream season		o/c	-	PG1098	1,265,000	152,409
	suzhou,bridge						
	under the sun		o/c	-	PG1098	550,000	66,265
	lingering melodie						
	from xunyang riv		o/c	51x59	HK1191	1,370,000	177,878

name/nationality	title	date	mat	size	place	pr.local	pr.US\$	type
zhu dequn©(t)	no147	1963	o/c	60x120	TC498	1,150,00	37,720	m
zhu dequn	blue	1961	a/p	38x56	TS1097	161,000	5,280	m
zhu dequn	untitled	1959	o/c	75x66	TC497	920,000	33,304	m
zhu dequn	vie cachee	1992	o/c	65x81	TC1098	287,500	10,898	m
zhu dequn	serene vision	1992	o/c	61x50	PG1097	88,000	10,628	m
zhu dequn	abstract landscape	1965	w/p	65x50	TS1093	190,000	7,202	m
zhu dequn	untitled	1963	o/c	65x92	TS1097	989,000	32,439	m
zhu dequn	red	1961	a/p	57x37	TS1097	155,250	5,092	m
zhu dequn	no 116	1962	o/c	81x60	TC498	1,370,00	41,704	m
zhu dequn	subtle grey	1989	o/c	72x91	PG499	82,500	9,939	m
zhu dequn	abstract	1965	g/p	52x48	TS1098	276,000	8,401	m
zhou tiehai©	in the west	1997	newsp	57x41	PSo1097	8,000	966	m
zhou jirong©	last memento	1997	6xss	72x55	PSo1097	20,000	2,415	m
zhou chunya©	spirit of the land	1999	o/c	100x80	PG499	60,500	7,289	m
zhou chunya	sentiment, roses	1994	o/c	100x80	PG1096	52,800	6,361	m
zhou chunya	green heigen no 2	1997	o/c	150x120	PT99	£ 6,800	11,220	m
zhou chunya	flowers	-	o/c	70x58	PT99	42,000	5,060	m
zhou chunya	red stone	-	o/c	150x120	PT99	150,000	18,072	m
zhou chunya	green heigen no2	1997	o/c	150x120	PT99	65,000	7,831	m
zhou chunya	flowers	1992	o/c	61x72	PG1097	35,200	4,251	m
zhou changjiang©	fragments of family	1997	mm	6 items	PSo1097	60,000	7,246	m
zhou changjiang	compl series-135	-	print	-	PT99	800	96	m
zhou changjiang	works no 128	1991	o/c	80x100	PG1097	90,200	10,893	m
zhao yingzhou©	guest from outside	1995	o/c	112x90	PG1097	27,500	3,321	ra
zhao qin©	tourist map	1996	o/c	133x114	PSo1097	28,000	1,690	m
zhao nezhi©	shadow	1997	o/c	100x150	TC1098	172,500	5,251	m
zhao chunxiang©	fading & searching	-	a/c	126x88	TS1093	460,000	17,437	m
zhao chunxiang	dancing leaves	1984	i/c/p	164x80	TC995	460,000	17,437	m
zhangwenyuan©	unique scenery	1998	o/c	120x140	PG499	38,500	4,638	ra
zhang zhiyuan©	family in tibet	1996	o/c	170x140	PG1097	67,000	8,091	ra
zhang yongxu©	station	1995	o/c	130x97	PSon109	50,000	6,038	m
zhang yixiong(t)	nude	1981	o/c	33x24	TS1093	200,000	7,581	ra
zhang yixiong	room with a view	1988	o/c	100x73	TS1093	1,100,00	41,698	ra
zhang yajie ©	untitled	1993	o/c	-	PT99	66,500	8,012	m
zhang xiao gang©	genesis	1992	o/c	149x120	PG394	25,300	3,048	m
zhang xiao gang	blood lines series	1996	o/c	40x30	CL1098	5,750	9,487	m
zhang wanchuan(t)	fish on lotus leaf	-	o/p/b	25x38	TS1093	260,000	9,855	ra
zhang wanchuan	Yehliu seascape	1975	o/p	16x8	TC995	97,750	3,705	ra
zhang juxian(t)	door	-	p/p	45x65	TS1093	20,000	758	m

name/nationality	title	date	mat	size	place	pr local	pr US\$	type
zhang jingsheng©	river in the dusk	1997	o/c	80x100	PG1097	44,000	5,314	ra
zhang jian©	sunshine	1995	o/c	190x110	PG1097	33,000	3,985	m
zhang hui©	dusk	-	o/c	90x130	PG1097	16,500	1,992	m
zhang donghong©	lotus & bottle	1997	o/c	100x100	PG1097	22,000	2,657	m
zhang donghong ©	red yellow blue	1999	o/c	60x60	PG499	17,600	2,120	m
zhang dasheng©	reunite	-	br	60x45	PG1097	22,000	2,657	m
zhang bin©	dance of fan	1996	o/c	150x180	PSo1097	12,000	1,449	m
zhan wang©	untitled	1997	stone	20x30x	PSo1097	38,000	4,589	m
zeng shanqing©	herd	1983	i/c/p	68x68	PT99	18,000	18,000	ra
zeng shanqing	colt	1999	l/c/p	33x24	PT99	3,000	3,000	ra
zeng shanqing	hostess & horse	1998	i/c/p	68x84	PT99	16,750	16,750	ra
zeng shanqing	praying	1990	l/c/p	96x149	PT99	28,000	28,000	ra
zeng shanqing	going to the party	1999	l/c/p	65x175	PT99	24,000	24,000	ra
zeng shanqing	horses playing	1998	l/c/p	75x83	PT99	15,000	15,000	ra
zeng hong ©	the triste flute	1993	g/p	45x45	PT99	12,000	1,445	ra
yue minjun©	untitled	1994	o/c	81x65	PSon109	40,000	4,830	m
yue minjun	immortal cranes	1998	o/c	200x280	CL1098	12,650	21,125	m
yue minjun	ostriches	1998	o/c	200x280	CL1098	13,225	22,085	m
yuan zhengyang©	wind at night	1992	o/c	90x100	PG1097	41,800	5,048	ra
yuan zhengyang	singing bird -Spring	1996	o/c	90x100	PG1096	60,500	7,289	ra
yuan jinta©	vestiges old temple	1992	o/pl/p	81x60	TS1093	200,000	7,580	m
yu zhiqiang©	boy & pigeons	1997	br	56x33	PG1097	22,000	2,657	ra
yu shichao©	ballet dancer	1993	o/c	86x75	HKC119	57,500	7,475	ra
yu shichao	water town	1994	o/c	61x76	TC995	115,000	4,359	ra
yu peng(t)	living room	1985	p/p	110x79	TC1097	115,000	4,163	m
yin rongsheng ©	dock, river chuan	1995	o/c	60x81	PG1096	35,200	4,240	ra
ye ziqi(t)	nectarene	1991	et/o/l	30x30	TS1093	40,000	1,516	ra
ye ziqi	white/red february(2	1998	et/o/l	30x38	TS1098	195,500	5,936	ra
ye ziqi	magnolia	1997	et/o/l	30x60	TS1098	109,250	3,325	ra
ye xin©	baudelaire-spleen	1997	i/c/p	65x50	CL1098	1,610	2,688	m
ye huocheng(t)	riverside landscape	1977	o/c	80x100	TS1093	1,500,00	56,861	ra
yang san lang(t)	spanish village	-	o/c	63x75	TS392	1,760,00	68,750	ra
yang maolin(t)	flourishing formosa	1996	o/a/c	116x160	CL1098	5,060	8,450	m
yang jianping©	works no 40	1996	br	53x15x	PG1097	35,200	4,251	ra
yang hsing sheng(t)	suzhou	1988	o/c	90x117	TS392	550,000	21,484	ra
yang feiyun©	memory	1991	o/c	65x50	PG1097	99,000	11,956	ra
yan feiyun	girl	1994	o/c	60x50	PG1096	74,800	9,012	ra
xue song©	landscape	1997	acmm	180x150	PSo1097	50,000	6,038	m
xue song	art of makeup	1997	mm/c	180x151	CL1098	6,325	10,562	ra

name/nationality	title	date	mat	size	place	pr local	pr US\$	type
xu min ©	purple spring	1998	o/c	80x65	PG499	28,600	3,445	ra
xu min	purple spring	1996	o/c	60x50	PG1096	16,500	1,987	ra
xu mangyao©	nude	-	o/c	81x100	PG1097	79,200	9,565	ra
xu jiang©	clouds	-	o/c	99x61	PG1097	71,500	8,635	ra
xu jiang	railway station	-	o/c	60x73	PG499	27,500	3,313	ra
xu hong ©	wild wind	1999	mm/c	40x50	PG499	13,200	1,590	m
xiao shufang©	still life	1955	w/p	49x38	PG1097	19,800	2,391	ra
xiang jing ©	empty room	1998	br	72x53x42	PG499	22,000	2,650	ra
xia xiao wan ©	swimming	1996	o/c	75x57	PT98	40,000	5,154	ra
xia junna ©	reading at leisure	1996	o/c	160x130	PG1096	33,000	3,975	ra
xia junna	songs of youth	1997	o/c	160x130	PT98	60,000	7,228	ra
xia junna	sunshine	1996	o/c	180x180	PG1097	60,500	7,306	ra
wu shaoxiang©	venus	1997	coins	82x42x	PG1097	71,500	8,635	m
wu hsuan san(t)	oasis	1991	o/c	98x117	TS392	880,000	34,375	ra
wu hsuan san	spanish church	1977	o/c	53x65	TS392	418,000	16,328	ra
wu hao©	dance of the fairies	1968	o/c	56x80	TS1096	368,000	13,321	m
wu hao	dream	1973	wb	101x62	TC1097	184,000	6,035	m
wu hao	musician	1966	o/c	71x52	TC1097	345,000	11,316	m
wu hao	tsi-you temple	1972	wb	48x75	TC1098	92,000	2,800	m
wu hao	country scene	1970	print	93x38	TC1097	80,500	2,640	m
wu hao	backstreet	1976	wb	85x67	TC498	126,500	3,850	m
wu hao	12 happy muscians	1972	wc/p	139x216	TS496	368,000	13,321	m
wu hao	trees	1975	wb	55x100	TC1098	126,500	3,850	m
wu hao	the circus	1973	wb	103x56	TC498	253,000	7,701	m
wu hao	autumn	1991	o/c	73x100	TS392	660,000	25,781	m
wu hao	children fun	1967	o/c	72x120	TS496	506,000	18,317	m
wu dechun(t)	standing woman	1998	iron	154x50x	CL1098	7,475	12,483	m
wu chengyan©(t)	still life	1991	o/c	65x53	TS1093	320,000	12,130	ra
wu cheng yen©	peonies	1979	o/c	60x72	TS392	440,000	17,187	ra
wei zuyin©	berlin street	1995	o/c	65x80	PG1097	19,800	2,391	ra
wang ziwei©	painting,tweedy	1995	a/c	143x180	CL1098	4,600	7,682	m
wang zhijie©	still life	-	o/c	71x95	PG1097	44,000	5,314	ra
wang yuping©	spring in the north	1997	o/c	60x80	PG1097	22,000	2,657	ra
wang yidong©	country girl	1990	o/c	47x63	PG499	88,000	10,602	ra
wang xiangming©	longing, new centur	1995	o/c	80x80	PG1096	38,500	4,638	ra
wang xiangming	country walk	1997	o/c	100x100	PG1097	49,500	5,978	ra
wang xiangming	dialogue	1995	o/c	100x100	PG1095	33,000	3,975	ra
wang xiang ming	female figures	1998	o/c	1.5mx1.5	PT99	100,000	12,048	ra
wang ping ©	blue lily/pink lily	1999	o/c	100x100	PG499	41,800	5,036	m

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wang panyuan©	autumnal street	1960	o/c	61x72	TS1093	780,000	29,567	ra
wang lifeng ©	warring states 10	1999	mm	-	PT99	-	3,500	m
wang jin©	china,mortal world	1997	pvc	180x198	PSo1097	75,000	9,057	m
wang huaxiang©	6 woodcuts	1996	-	-	PSo1097	14,000	1,690	m
wang huaiqing©	self shadow	1997	o/c	146x112	PG1097	275,000	33,212	m
wang guangyi©	china hunde visa	1995	o/c	150x150	CL1098	9,200	15,364	m
walasse ting©	festival	1970	i/w/p	76x178	TS494	299,000	11,334	ra
walasse ting	sping	1986	a/p	91x182	TC498	598,000	18,203	ra
walasse ting	self-portrait	1960	a/c	72x72	TC1098	747,000	22,739	ra
tsai yin tang (t)	peitou park	1958	o/c	38x45	TS392	605,000	23,632	ra
tong wong (t)	ambush	1996	o/c	127x122	CL1098	4,255	7,105	m
tong aichen©	i'm a true artist	1997	o/c	140x130	PSo1097	12,000	1,449	m
tan ping©	untitled (series)	1996	coppe	54x75	PSon109	20,000	2,415	m
sun liang©	Tattooed man	-	o/c	80x100	PSon109	40,000	4,830	m
sui jianguo©	clothes	1997	a/w	40x50	PSon109	60,000	7,246	m
sui jianguo	interactice structure	1992	br/	43x25x22	PG1095	66,000	7,951	m
su xinping ©	lonely man	1992	o/c	-	PT99	-	8,000	ra
su tianci©	fish pond taihu lake	1994	o/c	110x110	PG1097	99,000	11,956	ra
song yongping©	blue parrot	1996	o/c	80x65	CL1098	4,025	6,721	m
song yongping	mood	1996	o/c	65x81	CL1098	2,530	4,225	m
si zijie©	water town	1997	o/c	68x68	PG1097	35,200	4,251	ra
shu liang©	relationship	1996	o/c	160x116	PSo1097	160,000	19,323	m
shi chong©	youth in relief	1995	o/c	154x75	PG1096	308,000	37,108	m
shen xiaotong©	diary of temptation	1997	o/c	80x100	PSon109	14,000	1,690	m
shen xiaotong	diary of temptation	1996	o/c	90x90	PG1097	16,500	1,992	m
shen ling ©	gauze	1996	o/c	162x130	PG1096	44,000	5,301	m
shao fai ©	dance	-	o/c	72x90	TS392	286,000	11,171	m
richard lin(t)	painting in releif	1961	o/c	102x102	TC1098	1,370,00	41,704	m
richard lin	gift for katma	-	o/c	63x63	TC499	552,000	16,829	m
richard lin	gwynfryn	1974	o/c	127x127	TC1098	2,030,00	61,796	m
richard lin	17.12.59	1959	o/c	173x173	TC499	1,700,00	51,829	m
qu leilei©	responsibility	1997	mm/p	140x114	CL1098	2,300	3,841	m
qu leilei	facing the world	1997	mm/p	140x114	CL1098	2,300	3,841	m
qiu yacai©	portrait of gentlema	-	o/c	114x69	TS392	264,000	10,312	m
qiu yacai	portrait of gentlema	-	o/c	182x147	TS1096	345,000	12,489	m
qing qing ©	home no7	1997	mm	-	PT99	-	2,500	m
qing qing	woman sacrifice	1998	mm	-	PT99	-	3,000	m
qing qing	partner search	1998	mm	-	PT99	-	1,500	m
pang tao©	inspiration of bronz	1998	o/c	120x90	PG499	52,800	6,376	m

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pang jun©	white hse distance	1998	o/c	60x72	PG499	22,000	2,650	ra
nie ou©	wen snow falls	-	o/c	53x58	TS292	286,000	11,171	m
michell huang(t)	sculpture	1997	mm	210x49	CL1098	4,025	6,641	m
michell huang	child's birthplace	-	o/c	61x61	CT499	115,000	3,506	ra
michell huang	modern queen	1997	o/c	116x91	CL1098	5,750	9,602	ra
michell huang	shepherd boy	-	o/c	61x61	CT499	126,500	3,856	ra
mao yigang©	that morning	1997	o/c	80x100	PG1097	22,000	2,657	ra
mao lizi©	door with graffiti	-	o/b	92x74	ST392	418,000	16,328	m
mao lizi	door god	1995	o/c	92x73	PG1095	35,200	4,240	m
ma lu©	forget me not	1995	o/c	61x73	PG1095	35,200	4,240	raa
ma lu	blue iris	1999	o/c	80x60	PG499	19,800	2,385	ra
ma lu	dragon, car, road	1995	o/c	100x80	PG1096	22,000	2,650	ra
ma changli©	lotus pond	1997	o/c	80x95	PG1097	46,200	5,579	ra
luo zhongli©	mother & son	1983	o/c	108x76	HKS1197	322,000	41,860	ra
luo zhongli	girl two white horse	-	o/c	63x79	TS392	572,000	22,343	ra
luo zhongli	single plank bridge	1994	o/c	97x130	PG1095	275,000	33,132	ra
luo zhongli	first snow sichuan	1986	o/c	50x60	PG1097	107,800	13,019	ra
luo zhongli	drizzle	1994	o/c	96x130	PG1096	275,000	33,132	ra
luo zhongli	old courtyard home	1991	o/c	64x81	PG394	88,000	10,602	ra
luis chan (hk)	bachelor's dream	1975	o/c	53x76	TS392	264,000	10,312	m
liu xun©	blue	1995	o/c	72x91	PG1097	88,000	10,628	m
liu wei©	the love	-	o/c	40x49	PG1097	27,500	3,321	m
liu wei	swimming no 1	1997	o/c	100x100	CL1098	5,750	9,602	m
liu manwen ©	ordinary life series	1997	o/c	-	PT99		4,500	m
liu kuosung©	coming	1972	i/a/p	46x240	TC1098	460,000	14,003	m
liu kuosung	which is earth no10	1969	i/c/p	142x78	TS1098	517,000	15,738	m
liu kuosung	white table	1956	o/c	72x52	TC498	747,000	22,739	m
liu kuosung	life pattern	1960	o/pl/c	74x102	TS1098	575,000	17,503	m
liu kuosung	if god has affection	1950	mmc	69x72	TC1098	402,000	12,967	m
liu kuosung	childhood memorie	1957	o/c	71x57	TC497	862,000	31,204	m
liu kuosong	verdant twilight	1967	i/c/p	57x94	TC498	368,000	12,070	m
liu kuosong	dance	1958	s/o/c	72x52	TC1097	690,000	22,632	m
liu kuosong	golden autumn son	1966	i/c/p	89x57	TC1097	195,500	7,059	m
liu jian©	emotion	1989	i/a/c	176x140	TS1093	180,000	6,823	m
liu jian	abstract	-	o/c	180x96	TS392	253,000	9,882	m
liu fengzhi©	tv, violin and kite	-	o/c	80x100	PG1097	19,800	2,391	m
liu fengzhi	melody of violin	1996	o/c	138x182	PSo1097	18,000	2,173	m
liu dahong©	school	1997	o/c	100x100	PSo1097	200,000	24,150	m
lin qingqing©	still-life	1995	o/c	60x80	PG1097	22,000	2,657	ra

name/nationality	title	date	mat	size	place	pr local	pr US\$	type
liao dezheng(t)	sunny moment	1995	o/c	91x73	TS1096	4,670,00	169,05	ra
li xiaobai©	city gate	-	o/c/b	-	PT99	375	626	m
li xiaobai	cycling by	-	o/c/b	-	PT99	750	1,252	m
li xiaobai	potala palace	-	o/c/b	-	PT99	400	668	m
li xiaobai	outside the gate	-	o/c/b	-	PT99	650	1,085	m
li xiaobai	great wall	-	o/c/b	-	PT99	550	918	m
li xiaobai	tea room	-	o/c/b	-	PT99	450	751	m
li tianyuan©	97 - no 6	1997	o/c	155x130	PSo1097	50,000	6,038	m
li shiqiao(t)	grazing land	1986	o/c	31x40	TS1093	600,000	22,744	ra
li shih-chiao(t)	green lake	1981	o/c	65x80	TS392	3,960,00	154,68	ra
li shan©	rouge series	1997	o/c	109x166	PSo1097	80,000	9,661	m
li qingping©	dream in green	1980	o/m	79x37	TS1097	241,500	7,921	ra
li qingping	dance of spirits	1980	o/m	79x37	TS1097	207,000	6,789	ra
li qingping	the street	-	o/b	75x44	PG1097	52,800	6,376	ra
li huifang(t)	chinese teapots	1989	o/c	27x35	TS1097	80,500	2,640	ra
li huifang	little pumpkins	1993	o/c	55x100	TS1097	402,500	13,202	ra
li huifang	still-life, bowl	1987	o/c	100x65	TS1098	356,000	10,837	ra
li huifang	afternoon / moreau'	1992	o/c	62x70	TS1096	253,000	9,158	ra
li chang©	mississippi river	-	o/c	61x103	PG1097	16,500	1,992	ra
leng jun©	landscape no3	1995	mm/c	105x200	PG1096	286,000	34,457	m
lei tan ©	bay area	1994	o/c	67x46	TC995	126,500	4,795	ra
kuo hsueh hu(t)	village scene	1938	g/p	48x55	TS392	880,000	34,375	ra
jiang changyi©	yeng chun	1997	o/c	91x76	HKC119	126,500	16,445	ra
ji dachun©	keep secrets	1997	mm	140x109	PSo1097	10,000	1,207	m
huang shuliang(s)	waterpipe	1996	o/c	69x89	TS1097	207,000	6,789	ra
huang mingchang(t)	heart field	1993	o/l	112x172	TS494	1,260,00	47,763	m
huang mingchang	afternoon gleaming	1993	o/l	112x172	TS1093	2,000,00	75,815	m
huang mingchang	dusk	1993	o/l	135x194	TS494	1,920,00	72,782	m
huang mingchang	summer field	1998	o/c	112x162	TC1098	1,590,00	48,401	m
huang mingchang	field in the wind	1991	o/c	72x100	TS392	462,000	18,046	m
huang mingchang	summer ocean	1996	o/c	112x171	TS1096	1,590,00	57,558	m
huang mingchang	ocean breeze	1997	o/c	145x97	TC498	1,260,00	38,356	m
huang ming chang	Tang lady & Matiss	1996	o/l	91x72	TS496	437,000	15,819	m
hsu yu jen(t)	burning sky	-	o/c	49x64	TC498	57,500	1,753	m
hsu yu jen (t	box of weeds	1990	o/c	89x130	TC1098	230,000	7,001	m
hsiao ju sung(t)	nude on beach	-	w/p	52x72	TS392	297,000	11,601	ra
hsiao ju sung	field of flowers	-	w/p	53x72	TS392	396,000	15,468	ra
hsiao chin(t)	PV-9	1961	o/c	60x70	TC498	241,000	7,336	m
hsiao chin	the winding tao	1962	i/c/c	140x80	TC1097	322,000	10,561	m

name/nationality	title	date	mat	size	place	pr local	pr US\$	type
hsiao chin	hen (diptych)	1963	o/c	84x108	TS1098	310,000	9,436	m
hsiao chin	pintura-cs	1959	o/c	52x45	TC1097	414,000	13,579	m
hou chunming (t)	collecting spirits	1993	wb	47x59	TC1098	51,750	1,669	m
hong ruiling(t)	coal miners	1958	w/p	25x35	TS1097	241,500	7,921	m
hong ruiling	waiting for dawn	1955	w/b	48x33	TC497	747,000	27,041	m
hong ruiling	seascape	1982	o/c	71x55	TC995	2,910,00	110,31	m
hong ruiling	coal miners at work	1950	w/p	26x38	TS494	529,000	20,053	m
hong ruiling	3 coal miners	1955	o/cb/	28x42	TS1093	720,000	27,293	m
hong ruiling	aborgines	1979	w/b	41x33	TC497	322,000	11,656	m
hong ruiling	crucifixion	1954	i/p	38x27	TC995	69,000	2,615	m
he duoling ©	portrait with toy	1995	o/c	100x80	PG1095	99,000	11,927	m
he daqiao	water and bottle	1995	o/c	61x50	PG1096	66,000	7,951	ra
he daqiao	lady and still life	1989	o/c	122x142	PG394	85,800	10,337	ra
he daqiao	toy bear	1991	o/c	61x50	PG394	35,200	4,240	ra
he chongli©	maple turning red	1996	o/c	90x126	PG1097	33,000	3,985	ra
han xin©	forbidden city gates	-	g/p	-	PT99	950	1,586	m
han xin	the east is red 2	-	g/p	-	PT99	950	1,586	m
han xin	the east is red 3(dip	-	g/p	-	PT99	1,400	2,338	m
han xin	china can't say no	-	g/p	-	PT99	2,800	4,676	m
han xin	china can say no	-	g/p	-	PT99	2,000	3,340	m
han xin	the east is red 1	-	g/p	-	PT99	950	1,586	m
guo jin©	memory no1	1995	o/c	149x130	CL1098	4,600	7,682	m
guan wei ©	little toy series	1993	a/c	-	PT99		2,000	m
guan liang©	zhong kui	-	o/c	49x59	HKC119	115,000	14,950	m
gu wenda©	un series:hk	1997	hair	120x96	CL1098	9,775	16,128	m
gaylord chang (hk)	spaceship	1988	o/c	153x104	TS392	176,000	6,875	m
fei mingjie (hk)	pear	1990	o/c	48x22	TS392	308,000	12,031	ra
fang lijun©	untitled	1995	o/c	250x180	PSo1097	420,000	50,724	m
Ding Shao guan©	the hunters	1986	o/p	102x104	PG1097	715,000	86,144	ra
deng shumin©	sunflower	1995	o/c	115x115	PG1097	20,900	2,524	ra
david diao(hk)	little suprematist23	1986	a/c	41x82	TC1098	138,000	4,451	m
david diao	touch of evil	1980	a/c	168x213	TC498	1,035,00	31,506	m
david diao	barnett newman	1992	a/c	152x229	TC499	782,000	25,225	m
david diao	little suprematist24	1986	a/c	46x72	TC1098	126,500	4,080	m
cynthia sah(t)	cleavage	1998	marbl	61x7x2	CL1098	6,900	11,523	m
cui kai xi©	late return	1997	o/c	60x72	PG499	30,800	3,710	ra
cui kai xi	spring river	1995	o/c	80x100	PG1096	35,200	4,240	ra
cui kai xi	sun and moonlight	1997	o/c	100x120	PG1097	52,800	6,376	ra
cui kai xi	landscape	1990	o/c	25x26	PG1095	24,200	2,915	ra

name/nationality	title	date	mat	size	place	pr local	pr US\$	type
chuang che©(t)	landscape	1980	o/c	95x126	TS392	330,000	12,890	m
cheng tsai-tung(t)	mother with cat	1984	o/c	65x80	TC995	92,000	3,487	m
cheng tsai-tung	tang horse	1996	o/c	79x109	TS1096	184,000	6,660	m
cheng tsai-tung	artist's wife	1984	o/c	130x96	TS392	352,000	13,750	m
cheng tsai-tung	spring breezes	1993	o/c	100x81	TC497	161,000	5,828	m
cheng bing©	the song of spring	-	stone	53x35	PG1097	16,500	1,992	ra
chen yiqing ©	green apple	1998	o/c	60x80	PG499	46,200	5,566	ra
chen yiqing	blue sky	1995	o/c	83x100	PG1095	35,200	4,240	ra
chen yin huei (t)	fishing village	1982	o/c	91x117	TS392	2,200,00	85,937	ra
chen yin huei	traffic light	1967	o/c	99x72	TS1096	345,000	12,489	ra
chen yin huei	birdcage	-	o/c	74x100	TS1096	552,000	19,982	ra
chen yimin©	tea time	1998	o/c	81x122	PG499	176,000	21,204	m
chen yimin	-	1998	o/c	20x28	PT99	85,000	10,240	ra
chen yanning©	other side of river	-	o/c	122x183	HKC119	299,000	38,870	ra
chen xi©	imperial cuisine	1995	o/c	180x165	PG1096	27,500	3,313	m
chen weimin©	prop	1997	o/c	65x81	PSon109	20,000	2,415	m
Chen Tsing fang(t)	painting irises	1991	o/c	91x122	TS392	1,320,00	51,562	ra
chen shuzhong ©	autumn in yecaotan	1998	o/c	73x91	PG499	16,500	1,987	ra
chen shuxia©	autumn	1996	o/c	140x120	PG1097	24,200	2,922	ra
chen shuxia	xiao liao	1995	o/c	61x50	PG1096	13,200	1,590	m
chen shuicai (t)	1994 # 2	1994	mm	83x83	TC995	149,500	5,667	m
chen junde©	lotus pond	1993	o/c	100x100	PG1097	55,000	6,642	ra
chen jinrong(t)	days bythe seaside	1984	o/c	90x116	TS1093	950,000	36,012	ra
chen danqing©	sheep hearding	1988	o/c	76x102	HKC119	80,500	10,465	m
chen cong lin©	hero returns	1991	o/c	50x75	PG1097	77,000	9,299	m
chen ching jung(t)	bullfight	1988	ceram	29x59	TS392	352,000	13,750	ra
chen ching jung	by lake	1991	o/c	69x96	TS392	1,155,00	45,117	ra
chang yi-hsiung(t)	blue pitcher/flowers	1981	o/c	50x65	TS392	990,000	38,671	ra
chang yi-hsiung	landscape	1964	o/c	45x52	TS392	770,000	30,078	ra
Chang qing©	golden autumn	-	o/c	-	PT99	200,000	24,096	ra
Chang qing	female	-	o/c	small	PT99	50,000	6,024	ra
Chang qing	looking steadily	-	o/c		PT99	286,000	34,457	ra
chai xiaogang ©	summers eve,lasa	1995	o/c	73x100	PG1096	46,200	5,566	ra
cao yong ©	women & children	1991	o/c	33x45	TC995	69,000	2,615	ra
cai jin ©	canna 24	1993	o/c	120x110	PG394	17,600	2,120	m
cai baoyu©	still-life	1997	o/c	93x93	TC1098	287,000	8,736	ra
cai baoyu	still-life	1997	o/c	91x91	TC1097	299,000	9,807	ra
cai baoyu	still-life	1996	o/c	90x100	TC498	437,000	13,302	ra
cai baoyu	still-life	1996	o/c	91x91	TC497	253,000	9,158	ra

artist	title	date	material	size	GBP	US\$
andres serano	klansman ni haw emp I	1990	cibachrome	144x119	3,800	6,384
andres serano	klansman ni haw emp I	1990	cibachrome	144x119	3,600	6,048
andres serano	red pope I-III	1990	cibachrome	152x102	18,000	30,240
f. clemente	guardians of truth	1990	pastel/p	66x48	5,000	8,400
f. clemente	strange goddess	1990	pastel/p	66x48	5,000	8,400
sigmar polke	untitled	1969	pen/wc	41x28	4,500	7,560
sigmar polke	untitled	1985	a/wc	99x74	7,000	11,760
sigmar polke	profil	1968	wc/vellum	96x64	10,000	16,800
sigmar polke	totenkopf	1974	dispersion/l	200x190	220,000	369,600
sigmar polke	untitled (eichhornchen)	1981	gouache/p	100x70	9,500	15,960
sigmar polke	untitled (masken)	1987	wc/gouache/p	99x74	5,500	9,240
georg baselitz	sterne im fenster	1982	o/c	250x250	145,000	243,600
markus lupertz	der baumstamm	1966	dispersion/c	150x200	25,000	42,000
gerhard richter	abstraktes bild	1986	o/c	70x100	65,000	109,200
gerhard richter	abstraktes bild	1987	o/c	200x140	115,000	193,200
frank auerbach	e.o.w. nude	1953	o/c	62x77	60,000	100,800
frank auerbach	oxford st building site	1960	o/c	51x35	21,000	35,280
leon kossoff	nude on a red bed	1969	o/c	77x137	65,000	109,200
leon kossoff	street in willesden	1983	o/c	54x78	70,000	117,600
tony cragg	spiral	1982	found/obj	-	13,000	21,840
mario merz	igloo del pal ..alhajas	1982	mm	250x500	70,000	117,600
jannis kounellis	untitled	1983	mm	-	45,000	75,600
richard serra	potato arc	1981	o-stick/p	127x96	18,000	30,240
richard serra	untitled	1982	o-stick/p	101x130	15,000	25,200
sol lewit	half-off	1980	enamel/metal	98x98x246	26,000	43,680
sol lewit	wall drawing	1978	crayon	variable	18,000	30,240
dan flavin	untitled	1971	lights	244x244x20	22,000	33,600
gunther forg	untitled	1990	a/lead/wood	60x40 (x4)	24,000	40,320
gunther forg	untitled	1988	a/woo	205x165	26,000	43,680
damien hirst	god	1989	mm	140x104x23	170,000	285,600
damien hirst	spin painting	1997	p/c	153 (diam)	64,000	107,520
rachel whiterea	untitled (mattress)	1991	mattress	31x192x140	68,000	114,240
bridget riley	twist	1963	o/wood	122x122	62,000	104,160
barry flanagan	nijinski hare	1989	bronze	240x115x75	150,000	252,000
anish Kapoor	pot for her	1985	wood/ges/pig	100x275x175	40,000	67,200

artist	title	date	materials	size	GBP	\$US
richard billingham	untitled	1995	ph/a	80x120	4,600	7,590
richard billingham	untitled	1995	ph/a	80x120	5,175	8,538
sarah lucas	seven up	1991	phco/p	86x123	16,675	27,513
sarah lucas	great dates	1992	mm	223x143	31,050	51,232
hiroshi sugimoto	ionian sea/s cesare III	1990	ph	20x24	3,680	6,072
hiroshi sugimoto	aegean sea, pilion II	1990	ph	20x24	7,820	12,903
tom friedman	untitled	1996	sty-fo	32x36x32	10,120	16,698
tom friedman	untitled	1995	mm	variable	9,430	15,559
darren lago	argos kettle	1996	kettle	25	1,035	1,707
darren lago	leaning um argo café ole	1995	al/st/pl	85	1,035	1,707
jane simpson	in between	1993	mm	10x32x50	2,530	4,174
jenny saville	prop	1993	o/c	213x183	51,000	84,150
marcus harvey	doggy	1993	o/c	213x213	8,970	14,800
phil brown	untitled(gun)	1995	ste	80x32x17	2,990	4,933
simon patterson	time machine	1995	mdf	12x89x3	3,220	5,313
simon patterson	yellow,red&blue no 2	1995	a/c	162x218	9,430	15,559
alex hartley	untitled (sackler)	1992	ph/gl/md	74x122x23	7,820	12,903
david leapman	notifier	1992	a/c	167x213	2,070	3,415
cindy sherman	untitled no 122	1983	ph	220x147	87,300	144,045
richard kirwan	economy of meaning	1995	a/c	180x240	2,070	3,415
callum innes	exposed painting,paynes gre	1996	o/c	170x162	8,050	13,282
jason martin	untitled	1996	o/c	244x244	12,650	20,872
jason martin	untitled	1993	o/c	48x48	8,970	14,800
rachel whiteread	untitled (square sink)	1990	plaster	107x101x86	133,500	220,275
walter niedermayer	passo pordoi (1-4)	1991	ph (4)	88x108	4,370	7,210
walter niedermayer	ghiacciaio della marmolada	1992	ph (4)	88x108x35	6,325	10,436
hadrian piggot	instrument of hygiene	1995	mm	50x70x40	3,450	5,692
georgina starr	the perverts	1996	pr/al	60x42	4,025	6,641
martin kersels	tripping photo (1-3)	1995	ph	50x76	3,450	5,692
nicky hoberman	cream puffs	1996	o/c	240x150	4,600	7,590
nicky hoberman	lemon chiffon	1996	o/c	225x135	6,900	11,385
thomas grunfeld	three misfits	1994	taxiderm	160x260x55	16,100	26,565
abigail lane	bloody canvas	1995	i/c	140x305x4	4,370	7,210
abigail lane	misfit	1994	mm	60x85x192	7,475	12,333
alan ball	morphene	1994	a/c	67x67	2,300	3,795
kerry stewart	manager	1996	mm	191x67x48	5,175	8,538
stefan hablutzel	kopfe	1993	resin/p	125x60x70	8,625	14,231
paul finnegan	untitled	1996	mm	145x140x90	3,220	5,313
damien hirst	acetic anhydride	1991	p/c	169x200	122,500	202,125
damien hirst	The lovers	1991	mm	152x102x23	139,000	229,350
d. brown/s.murphy	missile (no 4)	1994	ph	181x230	4,370	7,210
don brown	1:200	1993	pl/woo	151x30x30	3,680	6,072
stephen murphy	untitled (I-IV)	1993	pr/b	12x18	2,070	3,415
ema rushton	english clergy (1-4)	1992	mm	51	4,600	7,590
jonathan parsons	achrome	1993	mm	91x183	1,150	1,897
ron mueck	big baby 2	1996	r/mm	85x71x70	41,100	67,815
tony oursler	mmpi test dummy no 2	1994	mm	192x63x100	18,400	30,360
gary hume	stop	1991	o/p	218x536	48,800	80,520
gary hume	two three leaf clovers	1994	p/p	241x155	42,200	69,630
charles long	exploder	1995	bra/all	56x22x15	3,680	6,072

artist	title	date	materials	size	GBP	\$US
charles long	pulp,pulp	1995	p/arm	142x81x81	5,060	8,349
j.white/t.sheward	mini (in god we rust series)	1996	p/p	83x114	920	1,518
j.white/t.sheward	koncept kar	1996	mm	150x150x90	920	1,518
tony bevan	corridor	1995	ch/a/c	268x238	20,125	33,206
chris ofili	homage	1995	mm	183x122	19,550	32,257
chris ofili	them bones	1995	mm	183x122	21,850	36,052
mona hatoum	pull	1995	perform	-	9,430	15,559
mona hatoum	van gogh's back	1995	ph	50x38	11,500	18,975
yinka shonibare	double dutch	1994	a/tex	32x22x4.5	13,800	22,770
kiki smith	basin	1990	plaster	33x52x107	23,000	37,950
marc quinn	you take my breath away	1992	latex/rub	180	20,700	34,155
marc quinn	dr pangloss	1990	dough,br	89	12,650	20,872
robin lowe	huntbeth	1994	o/w	61x122	2,185	3,605
robin lowe	first haircut	1996	o/al	61x53	1,840	3,036
jordan baseman	we are what we build	1994	mm	-	1,035	1,707
cornelia parker	dress, with small change	1995	mm	-	3,450	5,692
cornelia parker	suit, shot by a pearl necklace	1995	mm	-	3,450	5,692
keith coventry	white abstract	1994	o/c/wo/gl	171x160x8	9,775	16,128
fiona rae	untitled (blue & yeallow)	1991	o/c	198x193	14,950	24,667
fiona rae	untitled (purple/orange tryp)	1994	o/c	127x328	18,400	30,360
jessica stockholder	untitled	1993	mm	244x195x193	8,050	13,282
dawn mellor	love me love my dog series	1996	o/b	42x29	4,600	7,590
james reilly	out on a limb	1995	o/c	183x152	5,175	8,538
gregory green	incendiary device # 2	1995	mm	-	1,380	2,277
john isaacs	untitled (what makes certain	1995	mm	208x126x22	5,750	9,487
nicola tyson	swimmer	1995	o/l	142x147	12,650	20,872
franz west	curacao	1996	installati	145x266x122	24,150	39,847
langlands & bell	maisons de force	1991	installati	92x42x40	11,500	18,975
rose finn-kelcey	the royal box	1992	st/al/ice	279x279x241	8,050	13,282
richard prince	untitled (my parents)	1995	ss/a/c	190x147	24,150	39,847
clay ketter	trace painting	1996	p/pl/ply	120x120	6,900	11,385
michael ashkin	no 33	1996	mm	122x640	6,325	10,436
janine antoni	lick and lather	1993	choc/soa	61x38x33	46,600	76,890
kcho	untitled	1995	mm	55x300x122	9,200	15,180
thomas schutte	grosse geister (3 figs)	1996	al	244x152x102	139,000	229,350
caroll dunham	dry island	1998	mm/l	119x163	16,100	26,565
john greenwood	never stand mid 3 way st	1991	o/c	137x183	2,760	4,554
glen brown	day world turned auerbach	1992	o/c	56x50	8,050	13,282
glen brown	pornography of death	1995	o/c	209x328	10,350	17,077
chantal joffe	untitled	1995	o/ges/b	29x21	3,680	6,072
sarah morris	johnny	1995	p/c	152x244	5,980	9,867
peter davis	untitled 3mm blue	1995	p/c	100x209	2,185	3,605
simon callery	4g and justice	1992	o/p/c	173x243	4,140	6,831
graham gussin	airline no1	1990	ph	117x178	1,725	2,846
jill frost	remembrance 2	1997	ph	75x100	4,600	7,590
brad lochore	shadow no 26	1993	o/c	150x300	13,800	22,770
mark francis	organism	1996	o/c	214x183	7,475	12,333
simon emglisch	line	1993	o/c	150x300	4,830	7,969
liz arnold	undercover	1995	a/c	119x61	2,760	4,554
stephan bakenhol	Large head	1993	woo/p	244x94x94	25,300	41,745

artist	title	date	materials	size	GBP	\$US
marielle neudecker	landscape	1996	mm	20x20x61	2,530	4,174
siobhan hapaska	untitled (bread)	1996	gl/pl/p	129x86x85	3,680	6,072
mark faimington	mad & child, infant baptist	1993	o/g-l/p	75x68	2,760	4,554
j & d chapman	ubermensch	1995	fg/r/p	366x183x183	10,350	17,077

3. Legal Aspects of conducting business in Taiwan and Hong Kong

APPENDIX ON LEGAL ASPECTS OF CONDUCTING BUSINESS IN CHINA AND HONG KONG

Legal aspects regarding setting up a foreign business and conducting business in Taiwan

The appointment of an agent or a number of agents is, according to the DTI, the best way forward for a foreign company wishing to enter Taiwan’s market. A foreign investor must also obtain ‘foreign investment approval’ (FIA) from the Investment Commission (IC) of the ROC. Non FIA businesses can operate in Taiwan but will not enjoy the same benefits.

Specific Incentives
a. Repatriation of equity and loan investment, profits, interests and capital gains
b. Waiver of residence and nationality requirements under the Company Law, the Mining Law, the Land Law, the Maritime Law and the Civil Aviation Law
c. No expropriation for a period of 20 years so long as the foreign investor continues to hold 45% or more of the total capital of the FIA company
d. Exemption from the requirement to issue shares to employees or the public, if 45% or more of the stock of an FIA company is foreign owned
e. Reduction of dividend withholding rate from 25% to 20%
f. Exemption of income tax on expatriates who conduct pre-FIA activities and who reside in Taiwan 182 days or less in a calendar year.

Under the Statute for industrial upgrading (SIU) there are certain tax incentives for a company limited by shares or a limited company in accordance with ROC law. Some of these incentives are of interest to the art dealer.

Revaluation of assets:

A Company may increase the value of its property (except for land) and equipment, if the price index for such assets has shown more than a 25% increase after the acquisition or last appreciation of such assets. A Company may also increase the value of land based on 80-120% of current value as assessed by the competent government authority from year to year.

Waiver of taxes upon merger and relocation:

All taxes involving merger or relocation with prior approval of government authorities under certain circumstances are waived.

Retained earnings: In general a company may retain its earnings up to 50% of its paid up capital. A Company limited by shares may retain 100%, and designated and important industries, 200%.

Japanese investors may not be approved under the Statute of investment for foreign nationals (SIFN) to invest in a trading company, unless its exports to Japan are greater than its imports from Japan. Hong Kong investment has to undergo a national security investigation through other agencies in order to determine if the investment involves mainland China capital or involves a Hong Kong Chinese who holds a political position in China. This final point mitigates against the establishment of a Japanese gallery in Taiwan as well as Western owned galleries in Hong Kong, which are normally heavily committed to the China market.

Local ownership requirements

A Company may be 100% foreign owned unless, the company engages in one of the restricted industries provided in the negative list. Art gallery does not appear on this list. However, under code number 9409, 'Other Culture and Recreational Services' are prohibited from foreign ownership. This type of business is described as a coffee shop with waitress, bar, teashop with waitress, tavern and dance halls.

Since May 1 1992, when the employment Services Act became effective, foreign nationals have been required to obtain valid work permits before they commence working in Taiwan. Among the entities governed by Employment Regulations are:

- a. An organisation or foundation engaged in an economic activity
- b. A company, foreign company, branch office or foreign company representative office which, due to the nature of its business is not required to obtain approval from any other government authority.

Types of Company

Two out of the four locally incorporated companies in Taiwan are relevant to foreigners, and both provide limited liability to share holders.

Company limited by shares

Requires at least seven shareholders, either individuals or corporations in which half of the promoters must be ROC nationals. A company must also have an authorised capital, at least a quarter of which must, initially, be paid in full. There are minimum paid up capital requirements established for certain businesses. A Company, which engages in business without a specific minimum capital requirement, must have a capital of at least NT\$ 1 million.

Limited company

Must have at least five shareholders, half of whom must be ROC nationals, holding more than 50% of the capital. The company should have a minimum capital of NT\$ 500,000.

Partnership/sole proprietorship.

A partner of a partnership or a sole proprietor may only be a natural person. All partners are jointly and severally liable for the obligations of the partnership. There are no limited partnerships in Taiwan.

Taxes.

A partnership or sole proprietorship, which is also a profit-seeking enterprise, must pay the profit-seeking enterprise, income tax. The net after-tax income is also subject to individual income tax. In the same year for each partner or for the sole proprietor. There are few tax incentives.

Branch Offices.

A company incorporated outside Taiwan may establish a branch office to conduct business in Taiwan. Both the branch and head offices are considered the same legal entity except for tax and import/export purposes. The head office is subject to local jurisdiction, and all liabilities of the Taiwan branch extend automatically to its head office.

A Taiwan branch office must be registered under ROC Company Law. The head office must first be recognised by the ROC government before a branch can be established. The head office must appoint a resident as its agent in the ROC, and the branch must appoint a resident as its branch manager.

A branch office is not eligible for tax incentives provided in the SIU. It is considered a fixed place of business of the foreign company for Taiwan income tax purposes. The only exception is when the foreign company sells goods to Taiwan customers under ordinary international trade practise, in which case no Taiwan taxes are applicable.

General Representative offices.

In the case of a foreign company neither establishing a branch office nor sending its representative to perform juristic acts in Taiwan, it may establish a representative office. Someone who represents a foreign corporation in Taiwan in all litigious and non-litigious matters. This would also subject the foreign corporation to the jurisdiction of ROC courts.

A Representative office is not permitted to generate profits in Taiwan and can only receive reimbursement of its expenses from the Head Office.

“ Consequently, a Representative Office is usually suitable for a foreign corporation engaging in sourcing products in Taiwan, but is not suitable for marketing or selling of products or services.” (Baker & MacKenzie 1995,p.42)

Joint Venture

Means simply the co-operation of two or more parties /businesses in a common undertaking. It is considered a private contract and is not registered with the government.

Taxation overview.

Companies incorporated under ROC law are required to pay a profit seeking enterprise tax on their net profits. They may also be required to pay a business tax (VAT).

A Company limited by shares may retain earnings up to 100% of its paid up capital without being required to make distributions to shareholders. A limited company may retain earnings on an amount of up to 50% of its paid in capital.

Taiwan has income tax treaties for the avoidance of double taxation with the following countries: Singapore, South Africa, Paraguay, Indonesia, and is currently negotiating treaties with the US and the Netherlands. These taxation agreements offer much more attractive terms to the respective countries, and encourage foreign competition still further if they were extended to other nations.

Business tax.

Levied in the same form as VAT but on a gross turnover basis (VAT and business tax are interchangeable). The rates are from 5% - 10%, reduced to 0% for export. A Profit seeking enterprise (PSE) must pay output VAT to customs and input VAT to the supplier.

Offshore entity

An offshore entity is subject to income tax on ROC source income. Income tax law defines ROC source income as including profit distribution interest, royalty service fees, rental income from Taiwan and capital gains and income derived from conducting business in Taiwan.

An offshore entity would not be automatically subject to taxes due to the existence of a fixed place of business in Taiwan e.g. a branch office. However, an offshore entity would be subject to income tax for its sales in Taiwan if it has a business agent on the island.

Remittance of profit abroad.

All net profit of a partnership or sole proprietorship would be subject to the profit distribution tax. A Company is only permitted to retain earnings up to 50% of its capital for a limited company, 100% for a company limited by shares.

General income tax

Every person, resident or non-resident who receives ROC source income is subject to individual income tax. An individual who is present in Taiwan for 183 or more is treated as a resident for tax purposes.

ROC taxable income

Dividends distributed by domestic companies and foreign companies authorised to operate in the ROC

Profits distributed by domestic co-operatives and partnerships

Remuneration for employment

Interest received from ROC government agencies or juristic persons or from individuals residing in the ROC

Rental income from properties located in the ROC

Royalties from patents, trademarks, copyrights, trade secrets and franchises utilised in the ROC

Gains from the sale of property, other than land located in the ROC

Customs Duty

Duty is collected only on imported goods. The classification of goods for duty purposes is based on the harmonised commodity and coding system.

Duties are levied on an *ad valorem* basis or on a specific basis as described in the Customs Import tariff. Nominal rates range from 0% - 50%. Goods imported by sea are also subject to a Harbour construction fee equal to 0.5% of the duty paying value on imported goods subject to duty and business taxes. Selected goods are subject to the commodity tax.

Duty Exemption and Drawback.

Goods imported into the EPZ and SIP or a bonded warehouse are exempt from customs duties upon import.

Property and land taxes.

Owners of land shall pay an annual property tax based on the government-assessed value at progressive rates from 1% - 5.5%. The buyers of building pays a deed tax of 7.5% based on government assessed value.

Exchange controls

Governed by the Foreign Exchange control act. Generally only applied on the conversion of foreign currency to local currency and vice versa.

“ There is no restriction on owning and transferring foreign currencies in or out of Taiwan. Conversion between foreign currencies is also not subject to control. A person may own a foreign currency account elsewhere and transfer the funds freely so long as it does not involve conversion to local currency.” (Baker & MacKenzie, 1995, p.70)

The free flow of capital in Taiwan, and the ease with which the \$NT can be converted into \$US without limitations on the amount, is extremely advantageous to businesses, like art galleries, which require great liquidity.

Copyright

Copyright law was substantially amended in 1993. Under the new law, copyright protection is provided to a variety of creative works including artistic.

“ Under copyright law, copyright is held by the person who, through his or her own ideas and initiative creates or does the work. A work may thus be ‘made for hire’ by an employee for an employer.” (Baker & MacKenzie ,1995, p.83)²².

²² Copyright begins from the date of completion and exists for the life of the author plus 50years. Copyrightable works of US and British national, South Korean and Spanish residents in Taiwan and Hong Kong juristic entities enjoy copyright protection.

Taiwanese copyright law is greatly improved since the 1980's, and infringements are treated very seriously

Fair Trade Law

Adopted in 1991 and effective from 4 February 1992. The anti trusts provisions prohibit the abuse of market power by monopolistic enterprises and the creation of horizontal affiliations along with other conventional forms of constraint.

Cartels are described by ROC law as examples of 'concerted action'. The FTC has enacted a set of internal regulations called 'screening criteria' for exemption regarding joint price determination by medium-to-small enterprises, in order to improve the competitive edge of such enterprises and so that they can jointly determine the price of goods or services. Unfortunately, the covert behaviour of Taiwan's commercial gallery world flouts the FTL by fixing prices and misinforming clients of the Regional and International market value. The situation is re-enforced by the parochial view taken by many Taiwanese buyers.

The general environment.

Prior to 1987, business activities with the mainland were treated as trading with the enemy. On May 1 1991, the ROC government declared an end to the "Mobilisation period for communist rebellion." and stopped treating the mainland as the enemy. In October 1991, the regulations governing indirect investment, or technical co-operation with Mainland China were promulgated. These regulations were superseded in March 1993 by the regulations governing permission on investment in or technical co-operation with Mainland China²³. Foreign investors can make the investments in the mainland from Taiwan, and enjoy the same privileges as the Taiwanese. The Department of Trade and Industry (DTI) insists that Hong Kong continues to enjoy a high degree of autonomy after the hand-over. It remains a separate trade and customs area and the HK\$ a separate currency. It is also emphasised that Hong Kong is a business friendly environment where taxes are low and the tax system simple.

Setting up a foreign business and conducting business in Hong Kong

The DTI suggests that securing a Hong Kong agent is the best way in which to conduct business in mainland China, and declares that the business links between mainland companies and their Hong Kong equivalents is growing closer. This is a full hardy statement, bearing in mind the recent withdrawal of Hong Kong investment from China (see chapter 3).

Setting up a foreign business in Hong Kong is undoubtedly easier than in either China or Taiwan, and there are basically three options:

- A Hong Kong Company

²³ Small investments of US\$1 million or less are not prohibited

- A Hong Kong branch of a foreign Corporation
- A Hong Kong Representative Office of a foreign Corporation.

A Hong Kong Company, formed under Hong Kong law may be either limited by shares or unlimited, and a company limited by shares can be either private or public.

Formation of a company

Where a company is a wholly owned subsidiary of a foreign corporation there is normally no objection to using the name of its parent with the addition of Hong Kong or Far East or the like before Ltd, which must be the final word. English, Chinese or both names may be used.

Share capital

“ There is no minimum authorised capital required by the Hong Kong companies Ordinance”
(Baker&McKenzie,13,p2,1999)

There should at all times be at least two members of record and for a private Hong Kong company, at least two directors are required and it is mandatory to appoint as company secretary a Hong Kong resident.

Establishing a Hong Kong company

A listed Company is one whose shares are limited on the Unified Exchange in Hong Kong i.e. the Stock exchange of Hong Kong Ltd.

- Address of the principal place of business
- Addresses of all other places in Hong Kong at which business is carried on
- Description of the nature of business
- Date the business commenced

Establishing a branch of a foreign Corporation

A relatively simple process, requiring only registration with the Registrar of Companies and the Commissioner of Inland Revenue within one month of establishing a place of business in Hong Kong.

Except in the case of a Representative office, a branch must be registered with the Registrar within one month of the foreign corporation's establishment of a place of business in Hong Kong.

Unless the branch qualifies for and obtains an exemption, the branch must in each calendar year file the following documents relating to the foreign corporation with the Registrar.

Establishing a representative office in Hong Kong.

A foreign corporation that wishes to establish an office in Hong Kong for the purpose of promoting its business carried on elsewhere and liaising with customers and potential

customers in Hong Kong can set up a representative office. This involves obtaining a business registration certificate.

4. Interviews

Interviews (coded: Int.1-161)

- 1) Julian Thompson, Director, Sotheby's Asia, London, October 1993
- 2) Rita Wong, Director, Sotheby's, Taiwan, Taipei, October 1993
- 3) Huang Ming-chang, artist, Taipei, October 1993
- 4) Lin Hrongwen Tainan, October 1993
- 5) Bobbie Hu, Director, Christie's Taiwan, Taipei, October 1993
- 6) Huang Kuan-nan, Director, Taipei Fine Art Museum, Taipei, October 1993
- 7) Chen Chi-an, Vice Chairman, The Council for Cultural Planning & Development, Executive Yuan, Taipei, October 1993
- 8) Chin Hsiao-yi, Director, The National Palace Museum, Taipei, October 1993
- 9) Alexander Hwang, Director, Concord Fine Art, Taipei, October 1993
- 10) Tina Lin, Co-Director, Lin & Keng Gallery, Taipei, October 1993
- 11) John Hwang, Collector, Taipei, October 1993
- 12) James Spencer, Curator, The Chang Foundation Museum, Taipei, October 1993
- 13) Liu Ching-tang, Director, IT Park, Taipei, October 1993
- 14) Dr Kao Chun-yun, Director General, National Dr Sun Yat-sen Memorial Hall, Taipei, May 1994
- 15) Nature Hsieh, Director, Taiwan Gallery, Taipei, May 1994
- 16) Chang King-shing, Apollo Art Gallery, Taipei, June 1994
- 17) William Y.T. Chou, Department of General Affairs, Ministry of Foreign Affairs, Taipei, July 1994
- 18) Charlene Chen, Galerie Pierre, Taichung, August 1994
- 19) Shuh Kuen-chen, Director, Bureau of International Cultural & Educational Relations, Ministry of Education, Taipei September 1994
- 20) Liu Wan-hong, Vice Chairman, Council for Cultural; Planning and Development, Executive Yuan, Taipei, September 1994
- 21) Orphins Cheng, artist, Taipei, September 1994

- 22) Yu Yuh-chao, Director, Ministry of Education, Taipei, September 1994
- 23) Jen Tai-hwang, Vice Minister, Ministry of Education, Taipei October 1994
- 24) Tina Lee, Director, Changjiang Art Centre, Taipei October 1994
- 25) Ya Fang-kuo, National Cultural Association, Taipei, October 1994
- 26) Serina Chen, National Endowment for Culture and Arts, Taipei, January 1995
- 27) Wang Ching-po, Commissioner Education Bureau of Kaohsiung City Government, Kaohsiung, April 1995
- 28) Huang Tsai-lang, Director, Kaohsiung Museum of Fine Arts, Kaohsiung, October 1995
- 29) Scott Hsieh, Director, The Northern Gallery, Taipei October 1995
- 30) May Yang, Director, Caves Art Centre, Taipei, October 1995
- 31) Christine Chen, Manager, Tai Te Art Gallery, Taipei, October 1995
- 32) Julie Kung-shin Chou, Curator, The National palace Museum, Taipei, October 1995
- 33) Yu Yen-liang, Director, Respectable Art Centre, Taipei October 1995
- 34) Sharon Lin, Gallery Director, Front, Taipei, November 1995
- 35) T.T. Tsui, Collector, Hong Kong, January 1996
- 36) Takaki Tanaka, Director, Contemporary Sculpture Centre, Tokyo, Japan, Taipei, February 1996
- 37) Patrick Taillandier, Conseiller Culturel, Scientifique et de Cooperation, Taipei, June 1996
- 38) Bill Chang, Curator, National Taiwan Art Education Institute, Taipei June 1996
- 39) Wang Zhao-rong, Liu Hai Su Art Museum, Shanghai, August 1996
- 40) Jeff C.F. Hsu, Chairman, Ching Wan Society, Taipei, July 1996
- 41) Stacey Pierson, Curator, The Percival David Foundation, London, March 1997
- 42) Henry Howard-Sneyd, Director Sotheby's, Chinese Department, London September 1997
- 43) Qu Lei Lei, Artist and Former Stars Group Member, London, September, 1997

- 44) Geoffrey Hwang, Chairman, Dimensions, Taipei, September 1997
- 45) Rita Wong, Director Sotheby's Taiwan, Taipei, September 1997
- 46) Yen Ding-sen, Director, Chern Ping Gallery, Taipei September 1997
- 47) Lili Lee Friedlich, Director, Lung Men Gallery, Taipei, September 1997
- 48) Aileen Sung, Director, Topart, Art, Taipei, September 1997
- 49) Hu Jong-li, Vice Chairman, The Council for Cultural Policy & Development, Taipei, September 1997
- 50) Michael Chen, Independent Curator, Taipei, September, 1997
- 51) Wu Wen-hsun, Editor, Mountain Art Magazine, Taipei, September 1997
- 52) Ling Ling-kuo, Curator, Chi Mei Foundation, Taipei, September, 1997
- 53) Wellington Lee, Owner, Galerie Elegance, Taipei, September 1997
- 54) Mun Lee-lin, Director, The Taipei Fine Art Museum, Taipei, September 1997
- 55) Karen Smith, Art Director, Courtyard Gallery, Beijing, October 1997
- 56) Lucy England, Assistant Director, Shoeni Fine Art, Hong Kong, October 1997
- 57) Gilbert Lloyd, Director, Marlborough Fine Art, Hong Kong, October 1997
- 58) Lorenz Helbling, Director, ShanghART, Shanghai, October 1997
- 59) Hans van Dijk, The New Amsterdam Art Consultancy, Beijing, October, 1997
- 60) Brian Wallace, Director, Red Gate Gallery, Beijing, October 1997
- 61) Shi Jianbang, Christie's Shanghai, October 1997
- 62) Greg Bellerby, Director, The Emily Carr Institute of Art & Design, Charles H. Scott Gallery, University of British Columbia, Canada, Shanghai / Hangzhou, October 1997
- 63) Shi Hui, Hangzhou Academy of Art, October 1997
- 64) Xiu Jiang, Director, Oil painting Department, Hangzhou Academy of Art, October 1997
- 65) Chen Haiyan, Hangzhou Academy of Art, October 1997
- 66) Li Xu, Critic, Shanghai, October 1997

- 67) Qian Jianqun, Vice Secretary General, 97 Shanghai Art Fair, Organization Committee, Shanghai, October 1997
- 68) Hu Zhixiang, General Manager, Guardian Arts Club, Shanghai, October, 1997
- 69) Jennifer Livingstone, Collector, Shanghai, October 1997
- 70) Mike Bruhn, Christie's Shanghai, Shanghai, October 1997
- 71) Shen Fan, Artist, Shanghai, October 1997
- 72) Ding Yi, artist, Shanghai, October 1997
- 73) Protected commercial source, Shanghai October 1997
- 74) Barbara Wickham, Director the British Council, Shanghai, October 1997
- 75) Yin Dungcheng, Galerie de France, Shanghai, October 1997
- 76) Tina Lin, Co-Director, Lin & Keng Gallery, Shanghai, October 1997
- 77) Jean Mari Decrop, Director, Galerie d'Art Sepia, Shanghai, October 1997
- 78) Eohen Cohen, dealer, Beijing, October 1997
- 79) Sophie T.F.Lin, Director, Gallery Tian Fang, October 1997
- 80) Protected Source, Ministry of Culture , Beijing, October 1997
- 81) Protected Source, China Culture Daily, October 1997
- 82) Sun Guoming, Administration Director, Guardian Auction House, Beijing, October 1997
- 83) Leng Lin, Critic, Beijing, October 1997
- 84) Guo Fang, Shoeni's China Representative, Beijing, October 1997
- 85) Sharon Shen, Sub Consultant, The J Gallery, Shanghai, October 1997
- 86) Frederic Lerris, Director, Galerie Enrico Navarra, Hong Kong, October 1997
- 87) Weng Ling, Director, CIFA Gallery, Beijing, October 1997
- 88) Liu Wei, Artist, Beijing, 1997
- 89) Michael Goedhuis/ Gu Gan, London, May 1998
- 90) Gilbert Lloyd, Director, Marlborough Fine Art, London, May 1998

- 91) Julia Coleman, Director, Chinese Contemporary Art Gallery, London, May 1998
- 92) Susan Palmer, Archivist, The Soane Museum, London, May 1998
- 93) Colette Hawes, Director, The Eastern Gallery, London, May 1998
- 94) Cao Wu, General Art Director, The Organizing Committee of China Art Exposition The Exhibition Centre of China National Culture & Art Corporation, Beijing, August, 1998
- 95) Lin Song, Hanmo Gallery, Beijing, August 1998
- 96) Xue Ya, Art Consultant, Beijing, August 1998
- 97) Kwok Ho-mun, Director, Wan Fung Art Gallery, Beijing, August 1998
- 98) Emily Zhang, Director, Qin Gallery, Beijing, August 1998
- 99) Daphne King, Director, Alisan, Hong Kong, August 1998
- 100) Brian Wallace, Director, Red Gate Gallery, August 1998
- 101) Chen Ji Xin, China National Culture & Art Corporation, Beijing, August 1998
- 102) Cathy Barbash, Art & Culture Promotion Ltd, Beijing, August 1998
- 103) Li Keran, Director, Creation Art Gallery, Beijing, August 1998
- 104) Ang Kian Heng, Consulate general of the Republic of Singapore, Consul (Commercial) Centre Director, TDB Shanghai, August 1998
- 105) Li Huasheng, Artist, Chengdu, August 1998
- 106) Lu Fushen, Artist, Shanghai, August 1998
- 107) Yo Youhan, Artist, Shanghai, August 1998
- 108) Zhao Yannian, Artist, Hangzhou, August 1998
- 109) Shu Chuanxi, Artist, Hangzhou, August 1998
- 110) Jiang Jing, Artist, Hangzhou, August 1998
- 111) Shen Xiaotong, Artist, Chengdu, August 1998
- 112) Wu Xiaohang, Artist, Chengdu, August 1998
- 113) David Tang, Collector, Owner of Shanghai Tang Department Stores and China Clubs. October 1998

- 114) Li Tzentien, Artist, Guangdong, October 1998
- 115) Liu Haiming, Artist, London, October 1998
- 116) Ming Wilson, Curator, V&A Museum, London, December 1998
- 117) Wang Dawei, Vice President Associate Professor, College of Fine Arts, Shanghai University, Shanghai, January 1999
- 118) Michael Goedhuis, London, May 1999
- 119) Gordon Barrass, Coopers and Lybrand, London, June 1999
- 120) Tsu Guan, Babizon Art Gallery, Shanghai, July 1999
- 121) Zhan Rose, Treasury Supervisor, Bei Gallery, Shanghai, July 1999
- 122) Huang Hong, Manager, Chang An Gallery, Shanghai, July 1999
- 123) Ma Haoming, Curator, Elegant Art Gallery, Shanghai, July 1999
- 124) Hua Yuzhou, President, Hwa's Gallery, Shanghai, July 1999
- 125) Chen Xinyan, Director, Black Apple Gallery, Shanghai, July 1999
- 126) Grace Zhuang, Longrun Ltd, Shanghai, July 1999
- 127) Frank Zhang, Shanghai Stanney Gallery, Shanghai, July 1999
- 128) Zhao Jianping, President, Shanghai Yibo Gallery Co, Ltd, July 1999
- 129) Jane DeBevoise, Deputy Director for Programs, Guggenheim Museum, Beijing, August 1999
- 130) Sun Guoming, Administration Director, Guardian Auction House, August 1999
- 131) Shi Jianbang, Consultant, Stone Art, Shanghai, August 1999
- 132) Brian Wallace, Director Redgate Gallery, Beijing, August 1999
- 133) Diana Lee, Director, Han Mo Xuan Co., Ltd, Taipei, September 1999
- 134) Christine Chen, Vice President, Dimensions Art Gallery, Taipei, September 1999
- 135) Nature Hsieh, Vice Director, Chief Executive, Mountain Art Museum, Kaohsiung, September 1999
- 136) Wen Wen-chen, Specialist, Chang Ku Building Co Ltd, Kaohsiung, September 1999

- 137) Lily C.Li, Director, Galerie Pierre, Taichung, September 1999
- 138) Louis Huang, Apollo Art Gallery, Taipei, September 1999
- 139) Hsiao Wen, General Manager, Capital Art Corporation, Taipei, September 1999
- 140) Shih Li-jen, Director, Modern Art Gallery, Taichung, September 1999
- 141) Eric Chen, Imavision Gallery, Taipei, September 1999
- 142) Hsu Hwa-ying, Yu Fang Gallery, Taipei, September 1999
- 143) Lynn Lin, Wen Fa Art Co Ltd, Taipei, September 1999
- 144) Oliver Chang, Chuan Cheng Art Centre, Taipei, September 1999
- 145) Celia Huang, Metaphysical Art Gallery, Taipei, September 1999
- 146) Wu Su-jen, Gloria Art Centre, Taipei, September 1999
- 147) Yen Yin-lin, G.Zen Art Gallery, Co, Ltd, Kaohsiung, September 1999
- 148) Lai Der-sheng, Fairmate Art Gallery, Taipei, September 1999
- 149) Professor Amartya Sen, Trinity College, Cambridge, October 1999
- 150) Fu Hua, Artist, London, October 1999
- 151) Chen Shui-bian, Leader of DPP party, LSE, London, November 1999

In regular contact from 1994-1999 with:

- 152) John Louton, Cultural Attache, The Embassy of the United States of America in China, Taipei, Beijing.
- 153) Johnson Chang, Director Hanart, Hong Kong /Taipei/ London,
- 154) Huang Kuan-nan, Director, The National History Museum, Taipei
- 155) James Spencer, Curator, The Chang Foundation, Taipei
- 156) Ba Dong, Curator, National History Museum, Taipei
- 157) Yuyu Yang, Artist, Taipei, (1995-1996)
- 158) Protected diplomatic sources
- 159) Joanna Chen, Director Masterpiece Gallery, Taipei

160) MOMART. International art movers

161) Osamu Sakashita, First Secretary, the Embassy of Japan/ Tehran

5. Exhibitions

Exhibitions (coded: Exhib.1- 92)

A selection of the predominantly Chinese Contemporary Art Exhibitions I have seen between June 1993 and December 1999. This list does not include all the gallery visits I have made outside formal exhibition times

- 1) Wu Guanzhong, The British Museum, London, 1993
- 2) Silent Energy, Museum of Modern Art, Oxford, June 1993
- 3) New Art from China post 1989, Museum of Modern Art, September 1993
- 4) Taiwan Art (1945-1993), Taipei Fine Art Museum, Taipei, October 1993
- 5) Christie's/ Sotheby's Auctions, Taipei, October 1993
- 6) R.O.C. Art Fair, Taipei, 1994
- 7) Christie's/ Sotheby's auctions, Taipei, April 1994
- 8) The Taipei Biennial of Contemporary Art, Taipei, May 1994
- 9) From Deconstruction to Reconstruction, Tearing Down Images to Re-Build them. A look at the Emergence of the Taiwan New Art Movement in the Nineties, Season of Typhoons, Galerie Pierre, Taichung, May 1994
- 10) The Paintings of Fu Paoshih, National History Museum, Taipei, October 1994
- 11) Christie's/ Sotheby's Auctions, Taipei, October 1994
- 12) Jun Jiehwang: Simulcrum and Emptiness: Little Mutton Dumplings for the 13th Day, Dimensions, Taipei, 1995
- 13) History Shall Not Forget Him, Chao Chung-hsiang, Crown Art Center, Taipei, 1995
- 14) Changing Faces, J.C. Kuo's "Eight Generals" Series, Galerie Elegance, Taipei, 1995
- 15) The Yielding Soul, Cynthia Sah, Solid Presence Invisible, Hanart, Taipei, 1995
- 16) R.O.C. Art Fair, Taipei, 1995
- 17) The Art of Pan Yulin, The Art of San Yu, National History Museum, Taipei, 1995
- 18) Hsiao Chin, The Odyssey – 1953-94- Taipei Fine Art Museum, April 1995
- 19) Exhibition of Tainan Folk Craft, National History Museum, Taipei, 1995

- 20) Christie's/ Sotheby's Auctions, Taipei, April 1995
- 21) Modern Sculpture Development in Taiwan, Kaohsiung Museum of Fine Art, Kaohsiung, Taiwan, July 1995
- 22) Tressors Art Fair, Singapore, September 1995
- 23) Sotheby's/ Christie's Auctions, Taipei, October 1995
- 24) R.O.C. Art Fair, Taipei, 1996
- 25) Christie's and Sotheby's Auctions, Taipei, April 1996
- 26) Yuyu Yang Sculpture Exhibition, Chelsea Harbour, London, May 1996
- 27) Tressors Art Fair, Singapore, May 1996
- 28) Reckoning with the Past, Fruitmarket, Edinburgh, September 1996
- 29) An Exhibition of paintings by Yang Yanping, Michael Goedhuis, London, June 1997
- 30) Chen Yifei, Marlborough Fine Art, London, June 1997
- 31) The Paintings of Wucius Wong, Plum Blossoms, Hong Kong, 1997
- 32) Axe of Lightening, Chia Chi-wang: Against the Wind Hsiao Yi's Motorcycle Sculpture Series, Hanart, September 1997
- 33) The Slighted Flesh, Lin & Keng Gallery, Taipei, September 1997
- 34) Contradiction of Huang Zhongyang. The Dowager Empress Cixi Oil Painting Series, Imavision, Taipei, September 1997
- 35) China Guardian Auction: Chinese Oil Painting and Sculpture, Beijing, October 1997
- 36) Liang Xiaoshan, Poly Plaza Gallery, Beijing October 1997
- 37) Sungari Contemporary Painting Auction, Beijing, October 1997
- 38) Christie's Hong Kong: Wu Guanzhong and Other Selected Contemporary Artists, October 1997
- 39) Gifted Painter, on Liu Wei & Ye Yong qing's Exhibition and After, CIFA Gallery, Beijing, October 1997
- 40) Shanghai Art Fair, October 1997
- 41) Nan Xi, Solo show, ShanghART, Shanghai, October 1997

- 42) Chen Yifei, The China Club, Hong Kong, October 1997
- 43) Calligraphic Paintings by Gu Gan, Michael Goedhuis, London, May 1998
- 44) An Exhibition of Paintings by Tseng Yuho, Michael Goedhuis, London, June 1998
- 45) Contemplation and Transcendentalism on the Mind's Road, The Contemporary Arts in China and Xia Wan's paintings, Shoeni Fine Art, Hong Kong, July 1998
- 46) Three Young Faces: Zeng Hao, Shen Xiaotong Zhao Nenzhi, Hanart Hong Kong, August 1998
- 47) The Summer Show, Shoeni Fine Art, Hong Kong, August 1998
- 48) Beijing Exposition, September 1998
- 49) Twentieth Century Chinese Etchings, Courtyard Gallery, Beijing, September 1998
- 50) Narration- Oil Painting Exhibition by Zhang Linhai, Hanmo Gallery, Beijing, September 1998
- 51) Looking Up, Paintings by Xia Xiaowan, Shoeni, Hong Kong, October 1998
- 52) Oil Paintings by Wong Dantian, Shoeni Fine Art, Hong Kong, October 1988
- 53) An Exhibition of paintings by Ma Desheng, Michael Goedhuis, London, June 1999
- 54) Qing Qing's Soft Sculptures, Red Gate Gallery, Beijing, August 1999
- 55) Twelve Days of Small Works, ShanghART, August 1999
- 56) Qu Lei Lei, Old Truman Brewery, Brick Lane, London, September 1999
- 57) Liberation – 50years later, Liu Ye and other artists, Chinese Contemporary, London, October 1999
- 58) Chen Shunchu Exhibition, Hanart, Taipei, September 1999
- 59) Zeng Shangqing solo show, Michael Goedhuis Gallery, October 1999
- 60) Fu Hua, Mall Galleries, London, October 1999
- 61) The Ju Ming Open Air Museum, Taiwan, October 1999
- 62) Mixed Taiwanese Sculpture Show, Galerie Pierre, Taichung, October 1999
- 63) Ju Ming Sculpture Show, Caves Gallery, Taipei, October 1999

- 64) Beijing in London, ICA, London, November 1999
- 65) Mixed Guohua show, Eastern Art Gallery, London, November 1999
- 66) Zhang Dali, Chinese Contemporary Ltd, London November 1999
- 67) Liu Haiming, Woodcuts, solo show, Redfern Gallery, London, November 1999
- 68) Ho Huaishuo solo show, Michael Goedhuis, London, November 1999
- 69) Summary of 20th Century art in China, Blunden Oriental, London, December 1999

1993 – 1999

Regular Visits throughout this period to:

- 70) The National Palace Museum, Taipei
- 71) The Palace Museum, Beijing
- 72) IT Park, Taipei (installations)
- 73) Front, Taipei (installations)
- 74) The T.T Tsui Museum, Hong Kong
- 75) The Chang Foundation Museum, Taipei
- 76) The Chi Mei Museum, Tainan
- 77) The Taipei Fine Art Museum, Taipei
- 78) The Yuyu Yang Lifescape Museum, Taipei
- 79) The National History Museum, Taipei
- 80) The Shanghai Art Museum, Shanghai
- 81) Hanart Hong Kong and Taipei
- 82) RedGate Gallery, Beijing
- 83) Courtyard gallery, Beijing

84) Lin & Keng Gallery, Taipei

85) Caves Art Center, Taipei

86) Galerie Pierre, Taichung

87) Lung Men Gallery, Taipei

88) Mountain Art Group, Kaohsiung

89) Shoeni Art Gallery, Hong Kong

90) ShanghART Gallery, Shanghai

91) Masterpiece Art Center, Taipei

92) Dimensions, Taipei

6. Artist studio visits

Artist's Studio and Academy Visits

(coded: Visit 1-37)

- 1) Lin Hrong Wen, Tainan, October 1993
- 2) Chinese Culture University, Taipei, 1994-1996
- 3) National Institute of the Arts, Taipei, 1994-1996
- 4) Hangzhou Art Academy, October 1997
- 5) Shi Hui, Hangzhou, October 1997
- 6) Xiu Jiang, Hangzhou, October 1997
- 7) Chen Haiyan, Hangzhou, October 1997
- 8) Hangzhou Art Academy, August 1998
- 9) Zhao Yannian, Hangzhou, August 1998
- 10) Wang Dongling, Hangzhou, August 1998
- 11) Shu Chuanxi, Hangzhou, August 1998
- 12) Jiang Jing, Hangzhou, August 1998
- 13) Sichuan Art Academy, Chongqing, August 1998
- 14) Jing Weihong, August 1998
- 15) Chen Liangjie, Chengdu, August 1998
- 16) Liu Mingxiao, Chongqing, August 1998
- 17) Shen Xiaotong, Chengdu, August 1998
- 18) Wu Xiaohang, Chengdu, August 1998
- 19) Zhang, Xiaogang, Chengdu, August 1998
- 20) Li Shan, Shanghai, August 1998
- 21) Zhong Biao, Chongqing, August 1998
- 22) Zang Bin, Chongqing, August 1998
- 23) Feng Bin, Chongqing, August 1998

- 24) Huang Shan, Chongqing, August 1998
- 25) He Jinwei, Chongqing, August 1998
- 26) Chen Wenbo, Chongqing, August 1998
- 27) Li Huasheng, Chengdu, August 1998
- 28) Lu Fushen, Shanghai, August 1998
- 29) Yu Youhan, Shanghai, August 1998
- 30) Xin Haizhou, Chongqing, August 1998
- 31) Guo Wei, Chongqing, August, 1998
- 32) Guo Jin, Chongqing, August 1998
- 33) Shi Yong, Chongqing, August 1998
- 34) Guangdong Art Academy, October 1998
- 35) Lin Fengsu, Guangdong Academy October 1998
- 36) Li Tzentien (Guangdong) October 1998
- 37) Liu Haiming, London, November 1998

7. Bibliography

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CHANG TSONG ZUNG, 1994. *Chia Chi Wang: Reflections on Modern Taiwan Art at the Fin de Siecle, Man and Earth* (Colorado, Asian Art Co-ordinating Council).

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CHANG TSONG ZUNG, 1995. *The Yielding Soul, Cynthia Sah, Solid Presence Invisible*, (Taipei Hanart Gallery).

CHANG TSONG ZUNG, 1996, *Painting at the Edge of Visibility: The Art of Qiu Shi-hua*, Special Exhibition of the 23rd Biennial, Sao Paulo (Sao Paulo Biennale and Hanart TZ Gallery).

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8. Illustrations

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Illustrations

(coded: Illus 1-37)

1. Liu Wei

Ink No1, 1997

Chalk on paper, 1997

85 x 53 cms

As shown in CIFA gallery exhibition, 1997, and as illustrated in catalogue of exhibition

2a. Zhang Xiaogang

Blood line: The Big Family, 1998 (work in progress)

Oil on canvas,

As shown in the artist's studio, Chengdu, China, 1998.

2b. From left to right, Shen Xiaotong, Johnson Chang and Zhang Xiaogang in Chengdu, 1998

2c. From left to right, Shen Xiaotong, Zhang Xiaogang and Johnson Chang in Chengdu, 1998

2d. Photographs of the artist's immediate family, used as models in his paintings as displayed in the artist's studio in Chengdu, China, 1998

3a. Ju Ming

Taichi Series, 1984,

Bronze

As seen in Ju Ming Museum, Taiwan, 1999

3b. Ju Ming

Taichi Series, 1984,

Bronze

4a. Shen Fan

Untitled, 1993

Oil on Rice Paper

96 x 150 cms (x4)

As shown in ShanghART Gallery, Shanghai

4b. From left to right, Ding Su, Ding Yi (artist), author, Lorenz Helbling (Director, ShanghART), Greg Bellerby (Toronto based curator), Laura Zhao (ShanghART) and Shen Fan (artist)

5. Fang Lijun

93,no 8, 1993

Oil on canvas,

64.4 x 52 ins (161 x 131 cms)

As seen in Marlborough Fine Art exhibition: 'New Art from China: Post 1989' in 1993, and as illustrated in the catalogue of the exhibition

6. Zao Wou-ki

30-7-64, 1964

Oil on canvas

162 x 150 cms

As seen in Shanghai Art Fair, 1997, and as illustrated in the catalogue of the Fair.

7. Chen Yifei

Tibetan Mother and Child, 1997

Oil on canvas

As seen in Marlborough Fine Art in 1997, and as illustrated in Chen Yifei, First London Exhibition, Marlborough Fine Art, 1997

8. Yu Peng

Studio of the Heart: How Glad and How Discontented, 1992

Ink on paper

13.9 x 138.5 cms

As seen in the Collection of Mr T.T.Tsui, and as illustrated in 'Man and Earth' exhibition, Hanart Taipei, 1994.

9. Gu Gan

Heart to Heart, 1994.

Ink colours on paper.

20" x 20" (51 x 51 cms).

As shown in exhibition of the 'Calligraphic Paintings by Gu Gan' 13th –29th May 1998 at the Michael Goedhuis Gallery, London. As illustrated in the catalogue of the exhibition.

10a. Liu Haiming

Dream of Spring, 1994

Woodblock print

50x37 cms

Taken from the author's collection, and illustrated in Liu Haiming, catalogue, 1993.

10b. Liu Haiming

Sixty four signs of I Ching, 1998

Woodblock print

98 x 67 cms

Taken from the author's collection

11. Chen Yifei

Four Graces, 1997

Oil on canvas

190 x 208 cms

As seen in the Guardian Auction House, Beijing, 1997

12. Xia Junna

Songs of Youth, 1997

Oil on canvas

160 x 130 cms

As seen in the Hanmo Gallery, Beijing in 1997

13a. Zhou Chunya,
Green Heigen No 2, 1997

Oil on Canvas

150 x 120 cms

As shown in Longrun Gallery, Shanghai in 1999, and as illustrated in 'The Nature of Portrait' CIFA Gallery, Beijing in 1997.

13b. Zhou Chunya,
Green Heigen No 1, 1997

Oil on Canvas

150 x 120 cms

As shown in Chinese Contemporary Art Gallery, London, 1999, and as illustrated in 'The Nature of Portrait', CIFA Gallery, Beijing in 1997.

14 Chang Qing

Woman, 1998

Oil on Canvas

65 x 60 cms

As shown in Hwa's Gallery, Shanghai.1999, and as illustrated in brochure of artist's work

15. Ji Wenyu

The Money Making Tree, 1993

Oil on Canvas

89 x 116 cms

As seen in Lorenz Helbling's apartment in Shanghai, 1997, and as illustrated in catalogue of artist's work by ShanghART

16. Tang Guo

The book Queen Read 2, 1997.

Mixed media on paper

46 x 83 cms

As shown in The Red Gate Gallery, Beijing in 1997.

17. Zhao Bandi

Zhao Bandi and Panda, 1998

Photograph

78 x 70 cms

As seen in ShanghART Gallery, Shanghai in 1999

18. Li Shan

Biomorphic figure, (x3) 1998

Oil on canvas

As seen in artist's studio, Shanghai, 1998

19. Weida Hu

Untitled, 1998

Oil on canvas

150 x 110 cms

As shown in Elegant Gallery, Shanghai, and as illustrated in brochure of artist's work

20. Su Xinping

The Sea of Desire, 1996

Coloured screen print

52 x 35 cms

As seen in the Redgate Gallery, Beijing, 1997

21. Hwang Jyi

To Enter, 1991

Oil on canvas

145.5 x 112 cms

As seen in Galerie Elegance, and as illustrated in the book, 'Hwang Jyi', published by Galerie Elegance, Taipei.

22. J.C Kuo (Kuo Jenchang)

Day for Night, 1-1-A, 1-2-A, 1992

Acrylic, mixed media

145.5 x 112 cms (x 2 pieces)

As seen in Galerie Elegance, 1997, and as illustrated in the catalogue 'New Art, New Tribes, Taiwan Art in the Nineties', 1993

23a. Zhao Yannian

The True Story of Ah Q: illustration 1, 1978

Monochrome woodblock print

200 x 135 mm

As shown in author's collection, and as illustrated in '50 Years of New China, Zhao Yannian Woodblock Prints' 1998, Hanart TZ Hong Kong.

23b. Zhao Yannian

The Nineties, 1999

Monochrome Woodblock print

1030 x 1175 mm

As illustrated in '50 Years of New China, Zhao Yannian Woodblock Prints' 1998, Hanart TZ Hong Kong.

24. Wang Yidong

Teasing a Newly Wed, 1998

Oil on canvas

180.5 x 190.5 cms

As seen in Shoeni Art Gallery, 1997

25. Zeng Fanzhi

96 Masks, no 8, 1996

Oil on Canvas

170 x 140 cms

As seen in Courtyard Gallery, Beijing, 1997, and as illustrated in 'Reality: Present and Future, 96 Chinese Contemporary Art, Sungari, 1996.

26a. Ding Yi

Expression of Crosses, 1995

Mixed media

160 x 140 cms

As seen in ShanghART Gallery, 1997, and as illustrated in 'Reality: Present and Future, 96, Chinese Contemporary Art, Sungari, 1996.

26b. The artist, Ding Yi in ShanghART's Portman Hotel Gallery space.

27. Huang Zhong Yang

Empress Dowager Cixi and Four Physicians, 1993

Oil on canvas

101.5 x 140 cms

As seen in Imavision Gallery, Taipei, 1999, and as illustrated in the catalogue ' Contradiction of Huang Zhong Yang, The Dowager Empress Cixi Oil Painting Series, Imavision Gallery, Taipei.

28. Xia Xiaowan

Green, 1997

Oil on canvas

131 x 97 cms

As shown in Shoeni Art Gallery, 1997, and as illustrated in the catalogue of the artist's work, Shoeni Art Gallery, Hong Kong.

29a. Huang Shan

Without Words, 1997

Ink on paper

66 x 132 cms

As seen in artist's studio in Chongqing

29b. Huang Shan

Crowd, (detail) 1998

Watercolour on paper

Ink on paper

140 x 90 cms

As seen in artist's studio in Chongqing

30a. Dr.T.F.Chen

Card players (I), 1990

Oil on canvas

48 x 66 ins

As shown in Gallery New World in 1993, and as illustrated in 'Dr.T.F.Chen: Initiator of Neo-Iconography, Lucia & New World Gallery, NY and Taipei, 1993.

30b. Dr. T.F. Chen

Golden-triangle of Post-Impressionism, 1990

Oil on canvas

40 x 50 ins

As shown in Gallery New World in 1993, and as illustrated in 'Dr.T.F.Chen: Initiator of Neo-Iconography, Lucia & New World Gallery, NY and Taipei, 1993.

31. Zeng Hao

April 3rd 8.00pm, 1997

Oil on canvas,

200 x 175 cms

As seen at the CIFA gallery, Shanghai Art Fair in 1997

32. Zhang Gong

Wind Song, 1995

Oil on canvas

197 x 130 cms

As illustrated in the catalogue 'New Anecdotes of Social Talk', Shoeni Art Gallery, Hong Kong, 1995.

33a. Shen Xiaotong

Diary of Temptation, 1997

Oil on canvas

140 x 200 cms

As shown on the stand of the CIFA gallery in the Shanghai 1997 art fair, now in author's collection.

33b. Artist in studio, in front of one of his paintings, 'Diary of Temptation', 1998

34. Huang Jingho

Fire, 1992

Oil on Canvas

815 x 400 cms

As shown in Hanart Taipei in 1993, and as illustrated in the catalogue of the exhibition

35. Wu Tienchang

On the Damage to the Spring and Autumn Pavilion, 1993

Mixed media

160 x 190 cms

As shown in Hanart Taipei in 1993, and as illustrated in Sao Paulo Biennale, 1994.

36. Wucius Wong

Superimposed Memories, No, 1994

Ink and colour collage on paper

46 x 46 cms

As seen in Plum Blossoms Gallery, Hong Kong, 'Wucius Wong, Vision of a Wanderer', 1997, and as illustrated in the catalogue of the exhibition

37. Chu Hingwah

I am in the Park, 1998

Ink and colour on Chinese paper

154 x 96 cms

As shown in HanartTZ Hong Kong, 'Footlights, Chu Hingwah' exhibition, 1998, and as illustrated in the catalogue of the exhibition

2a



2b



$2c$ 

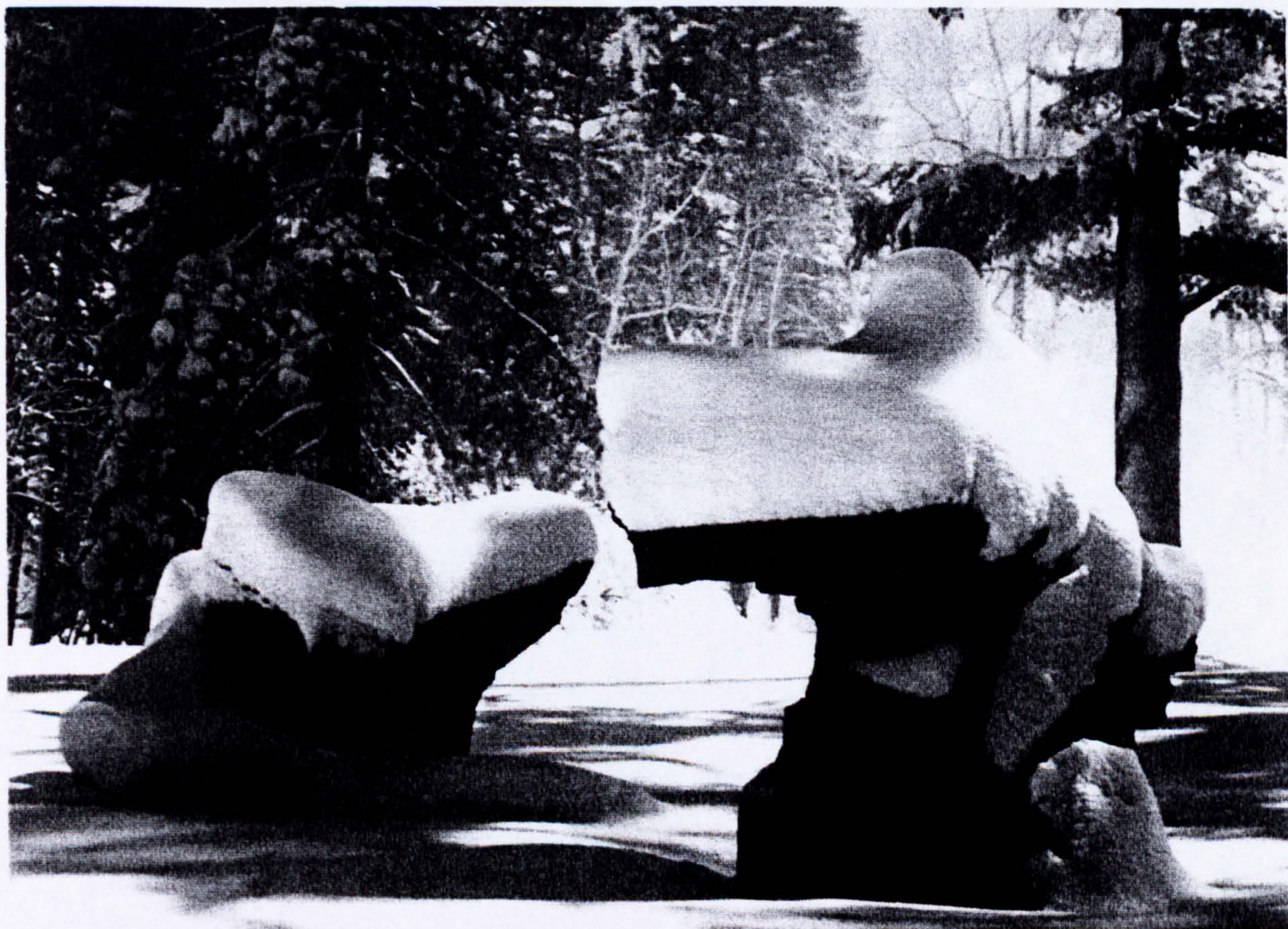
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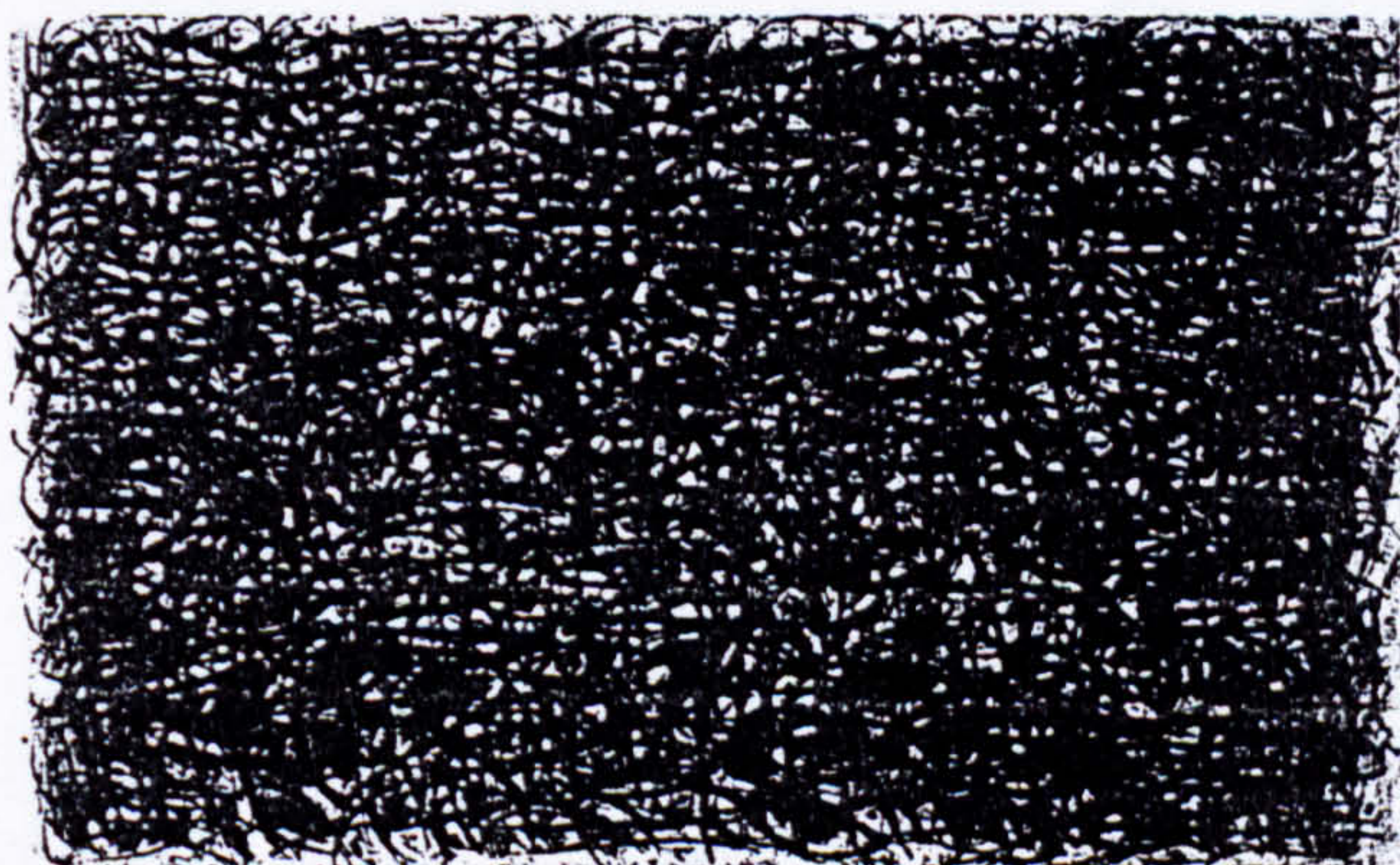
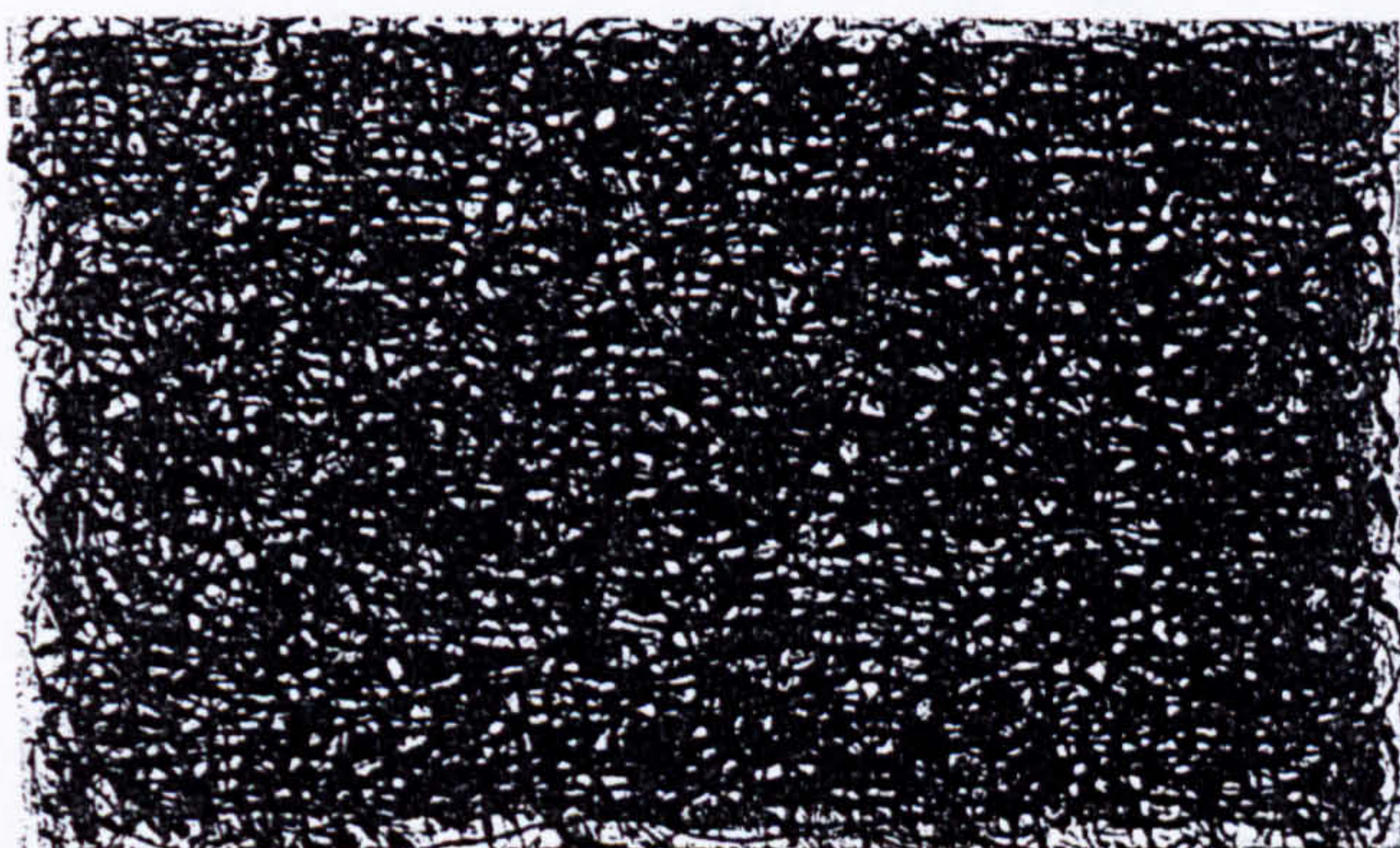
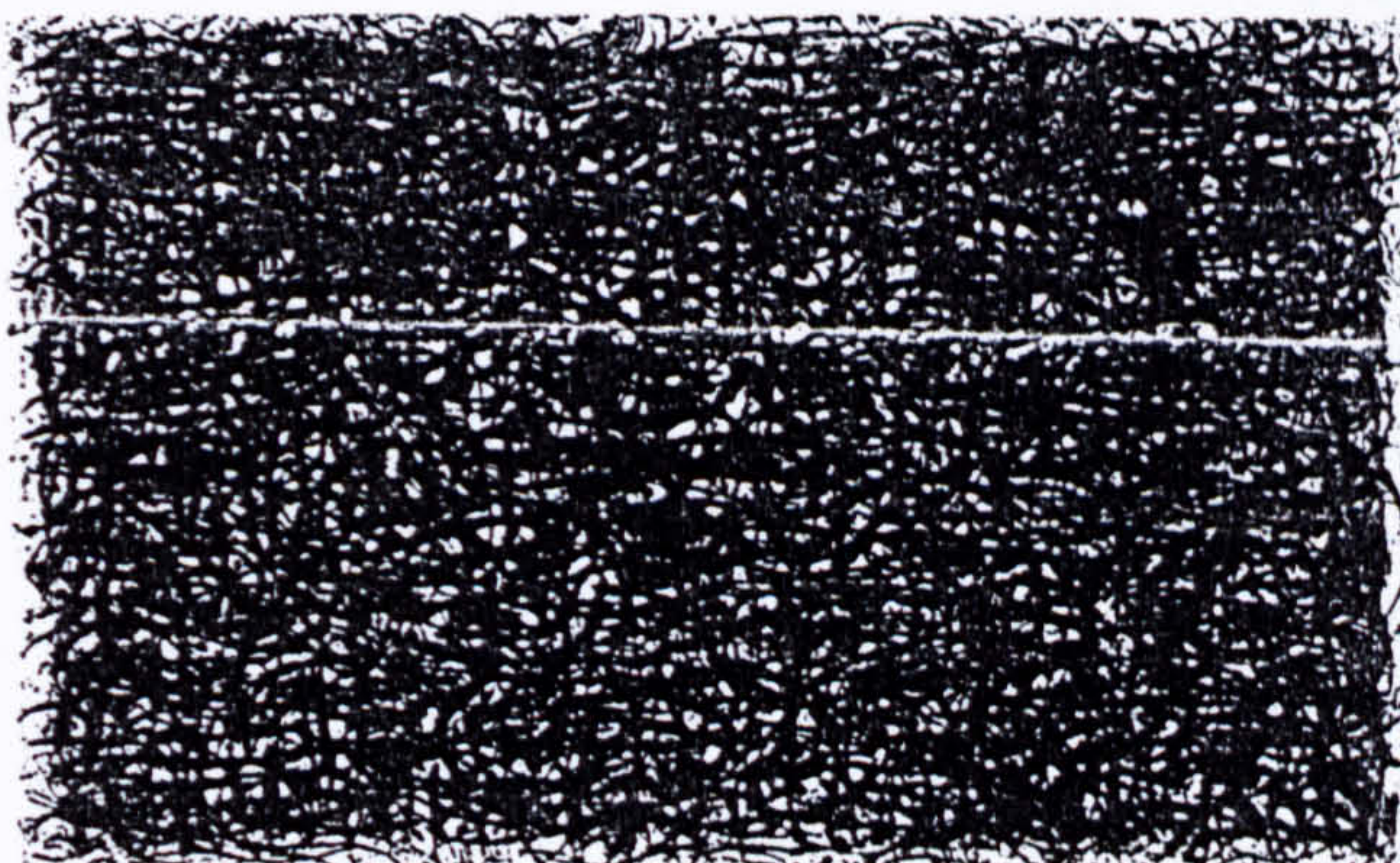
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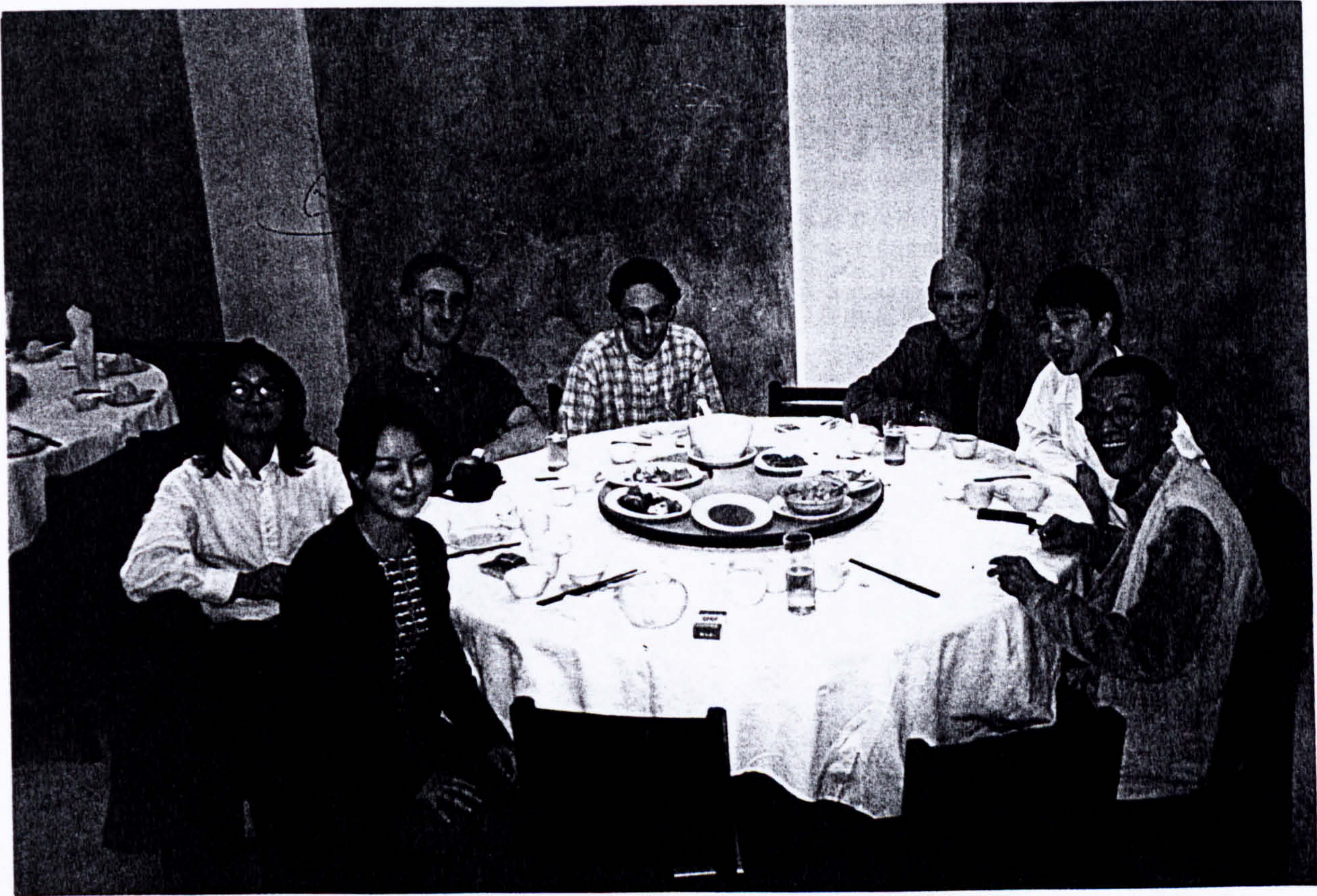


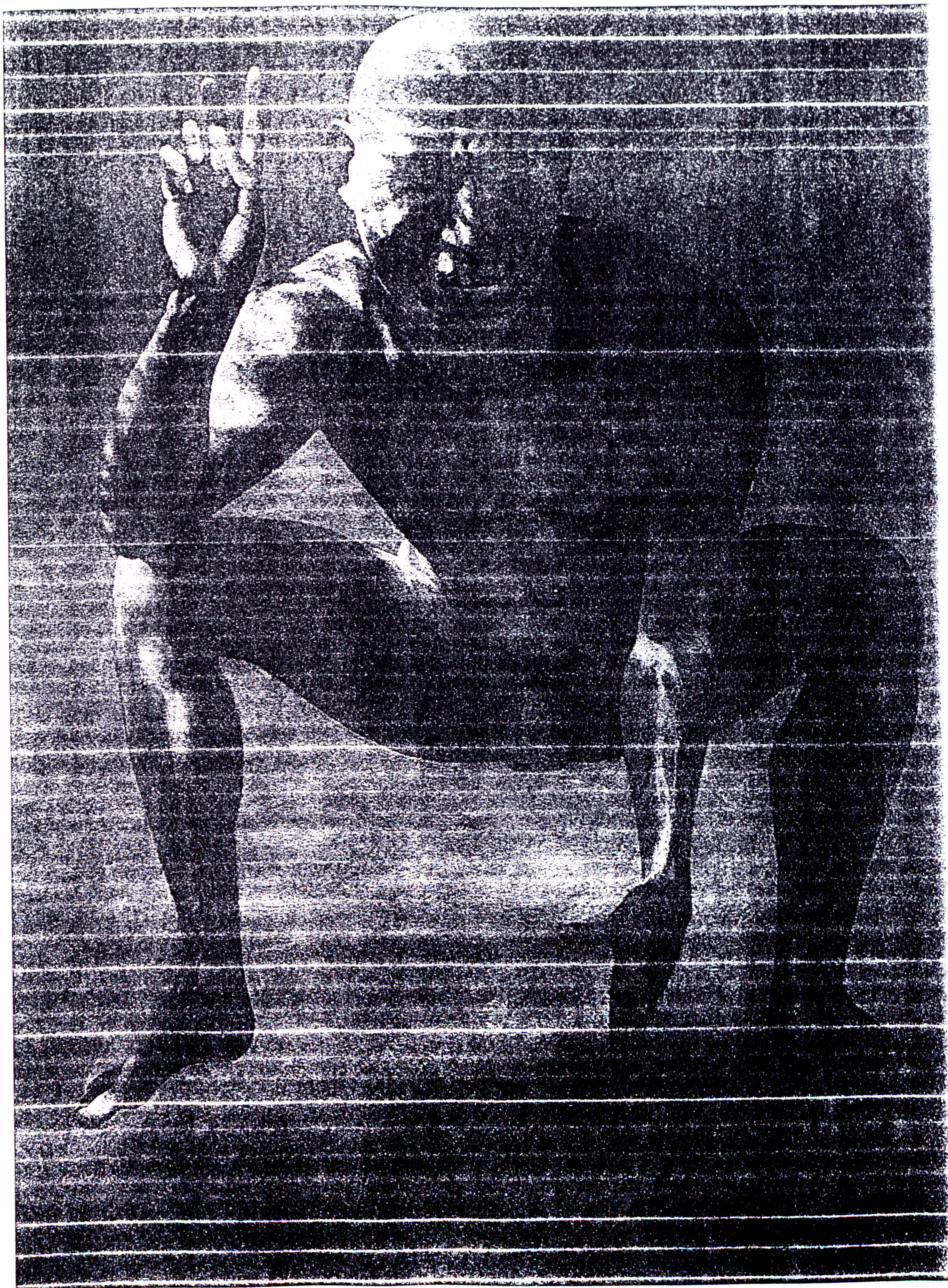
3b



4a

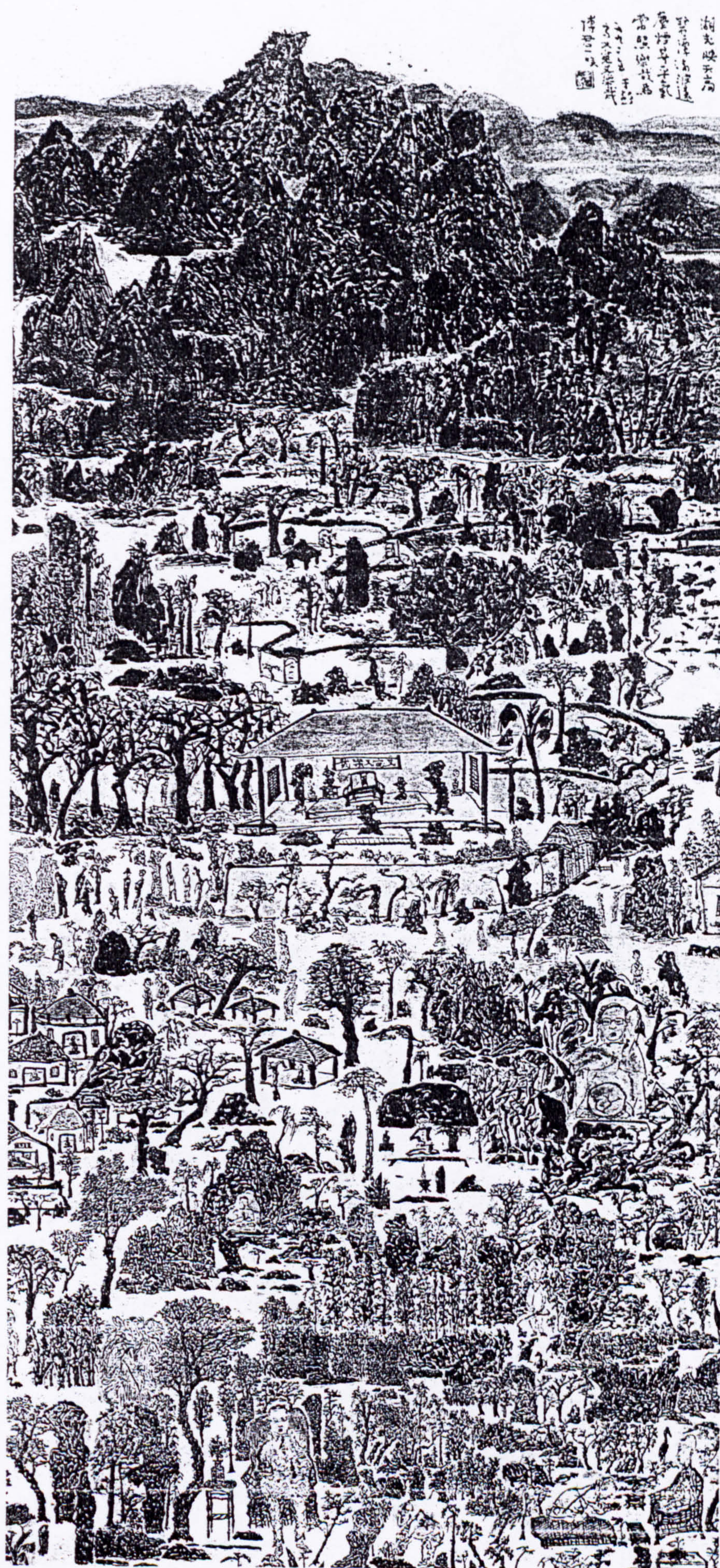




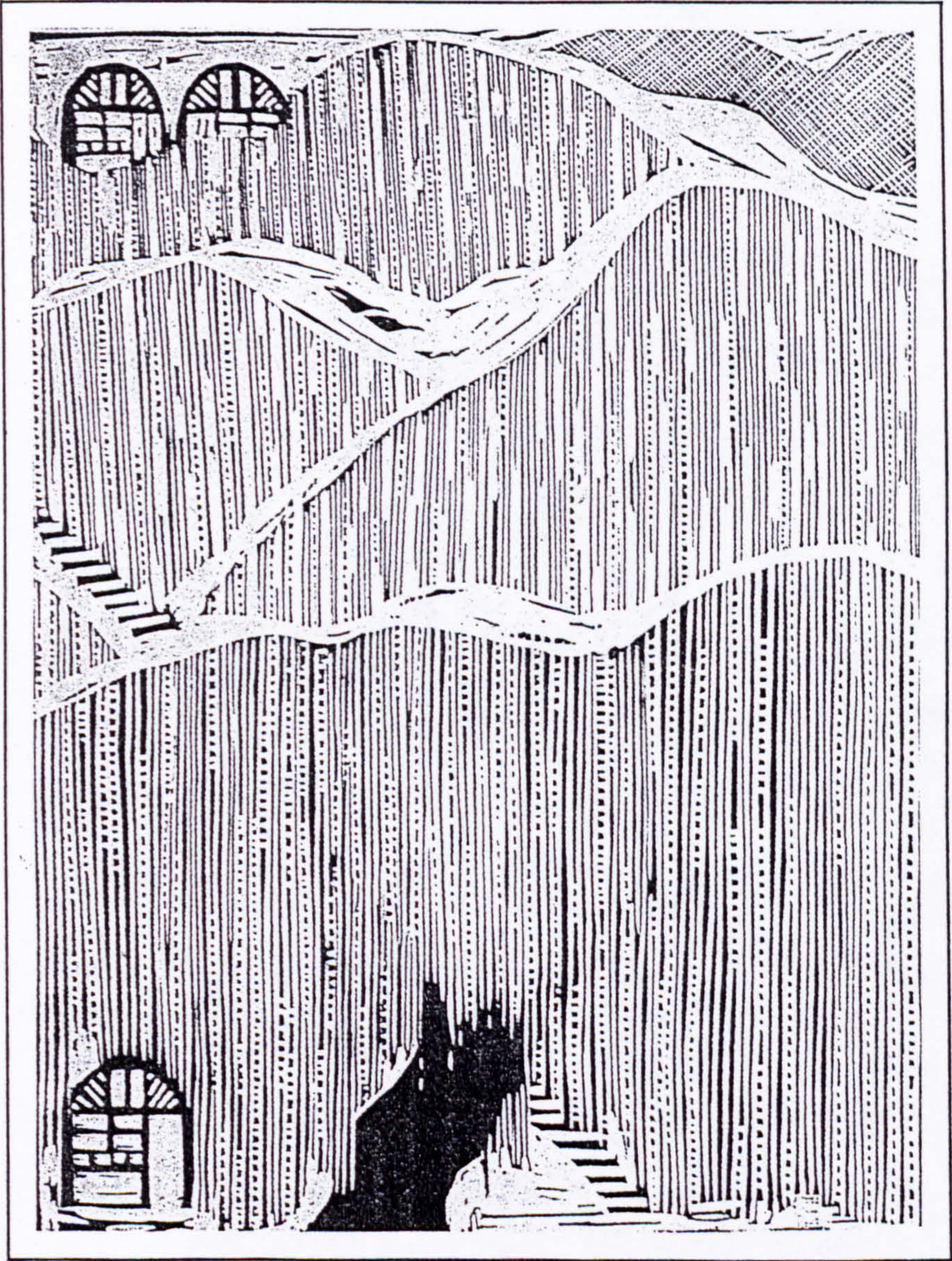


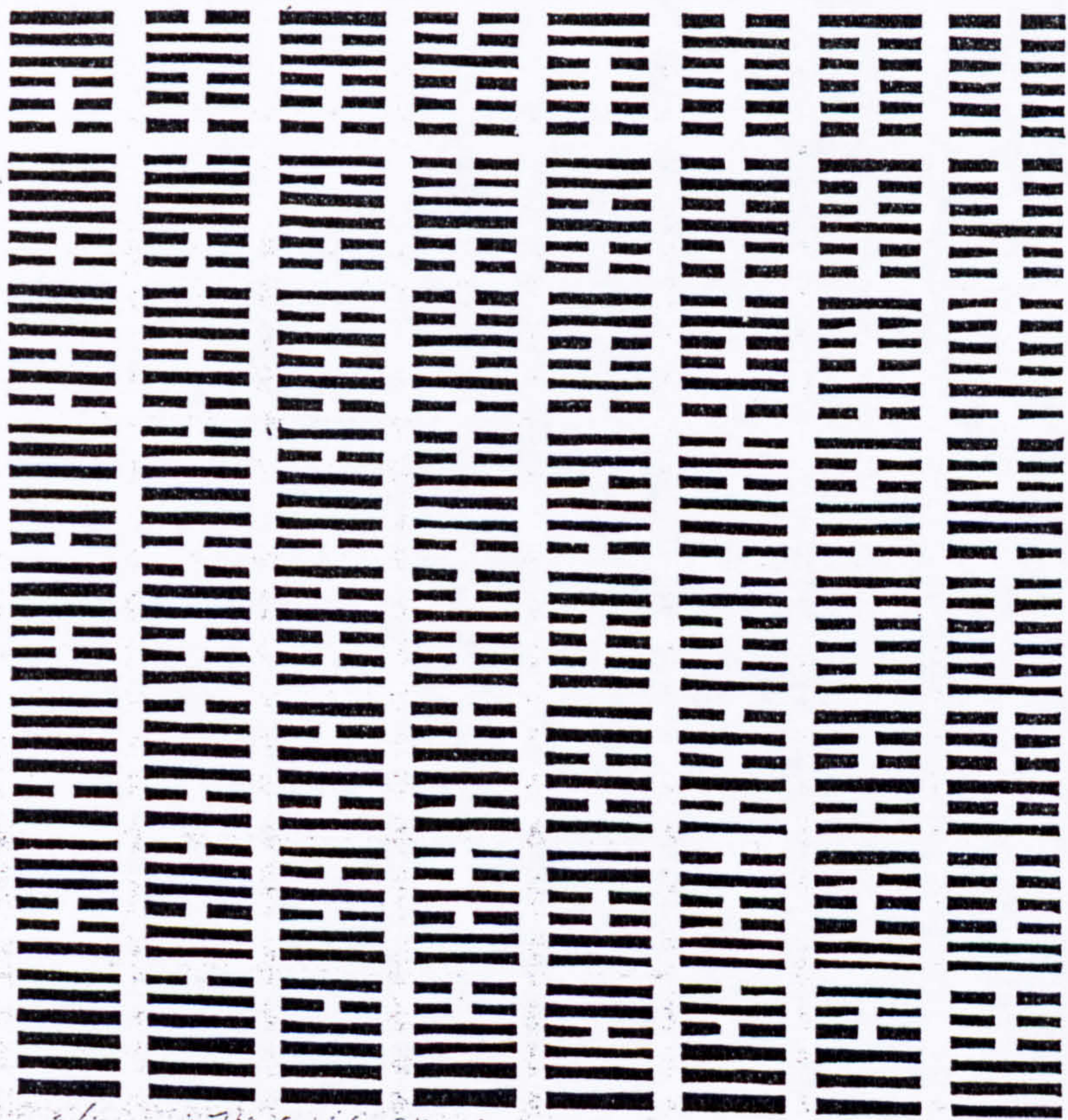










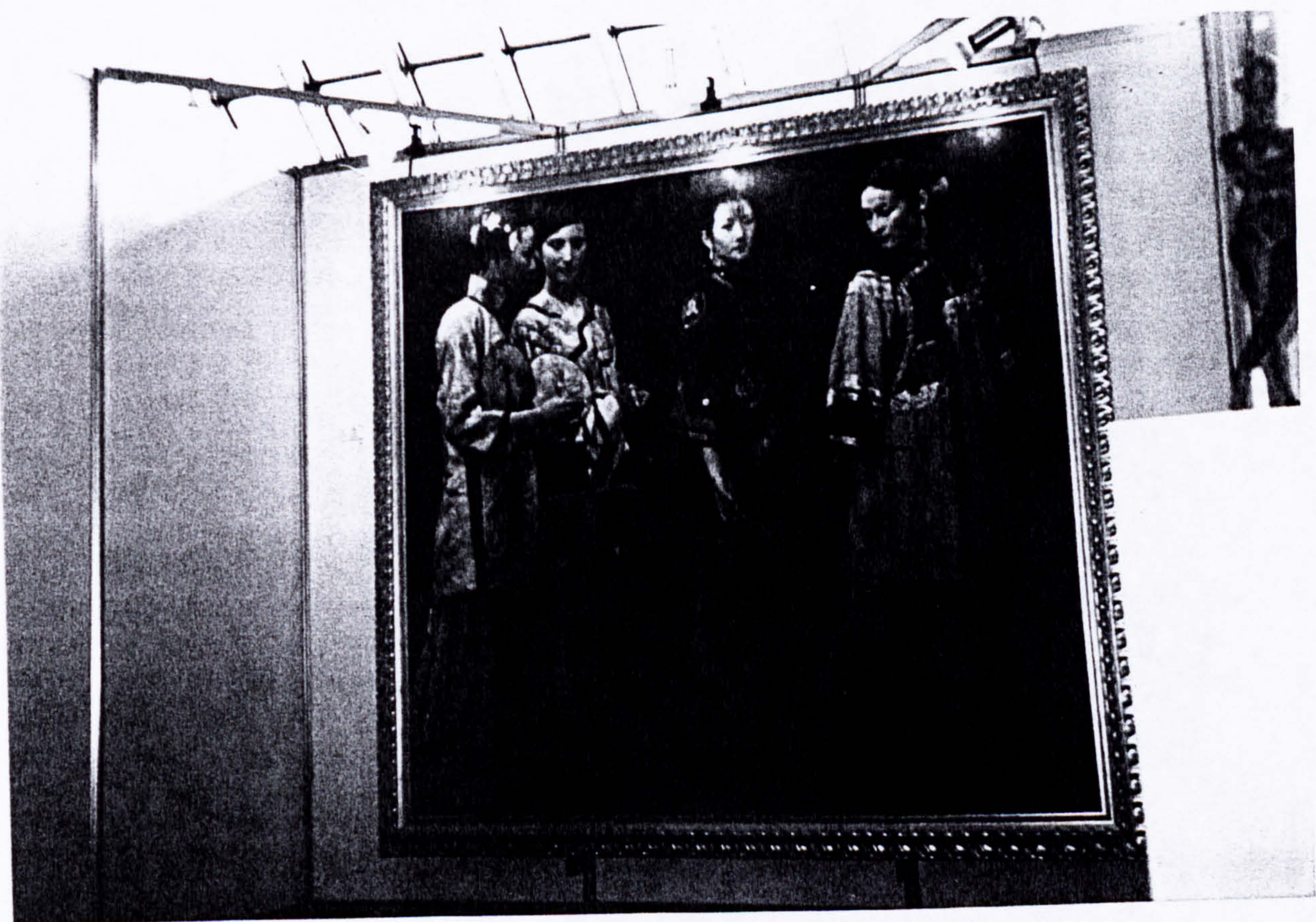


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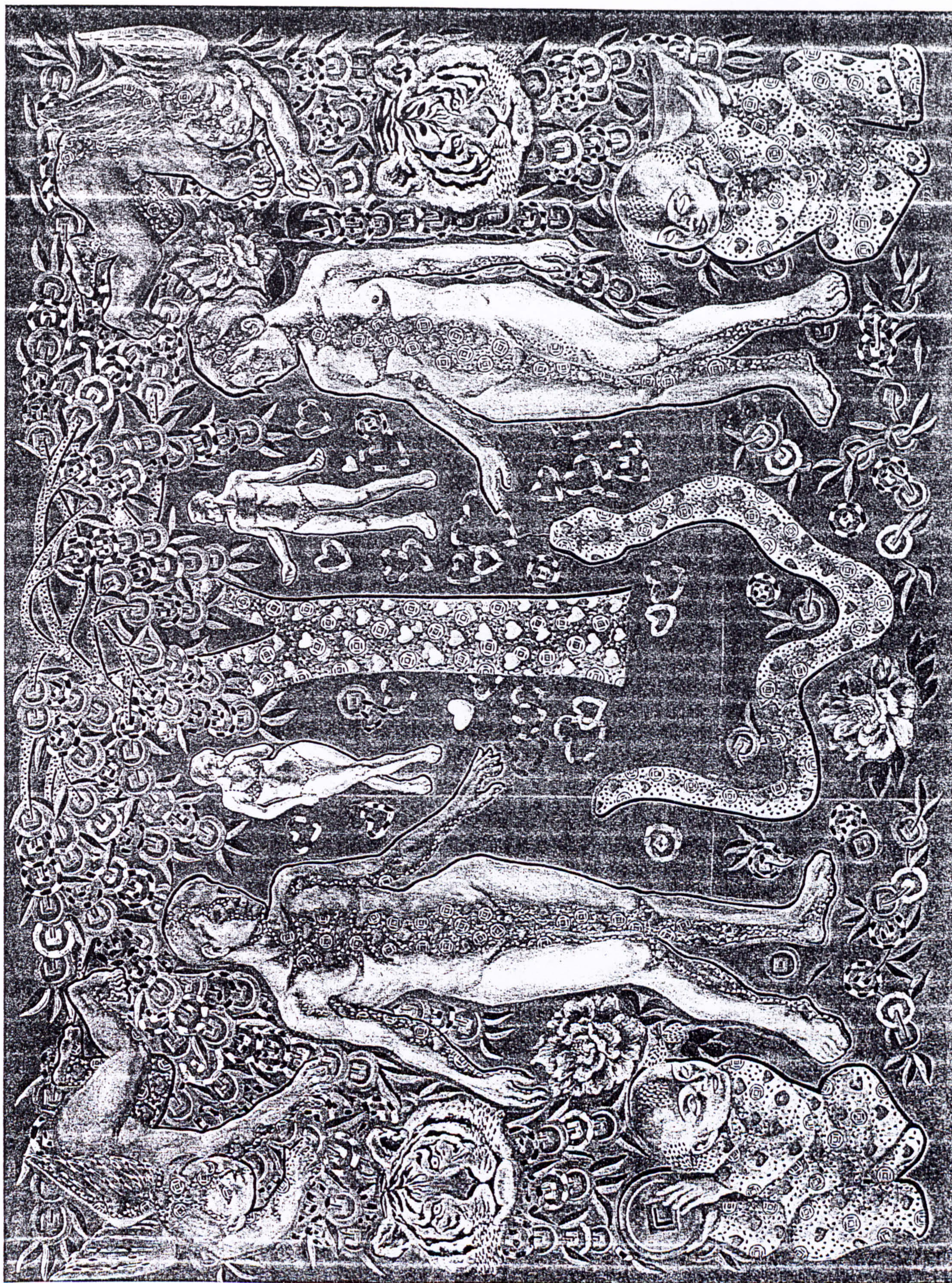


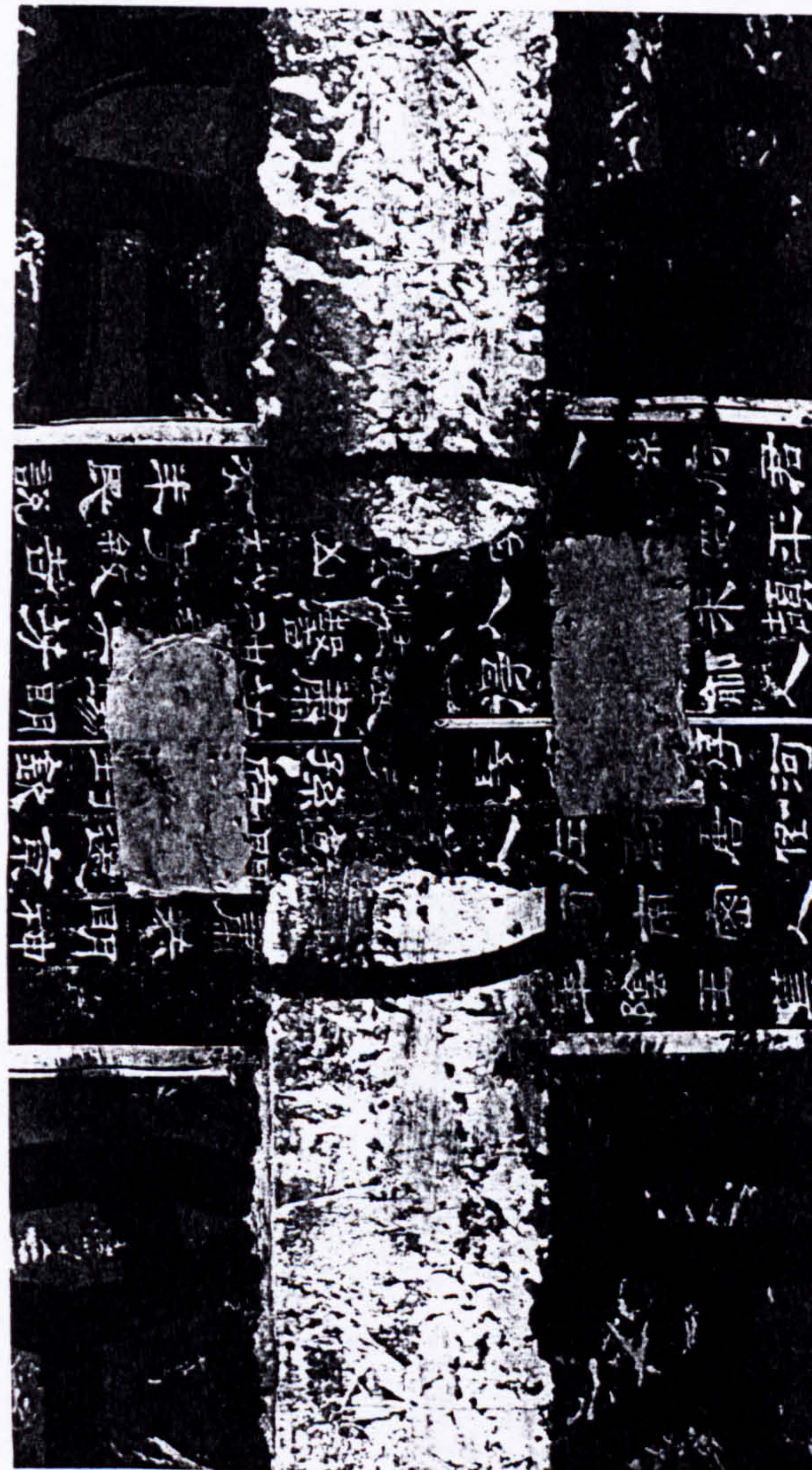


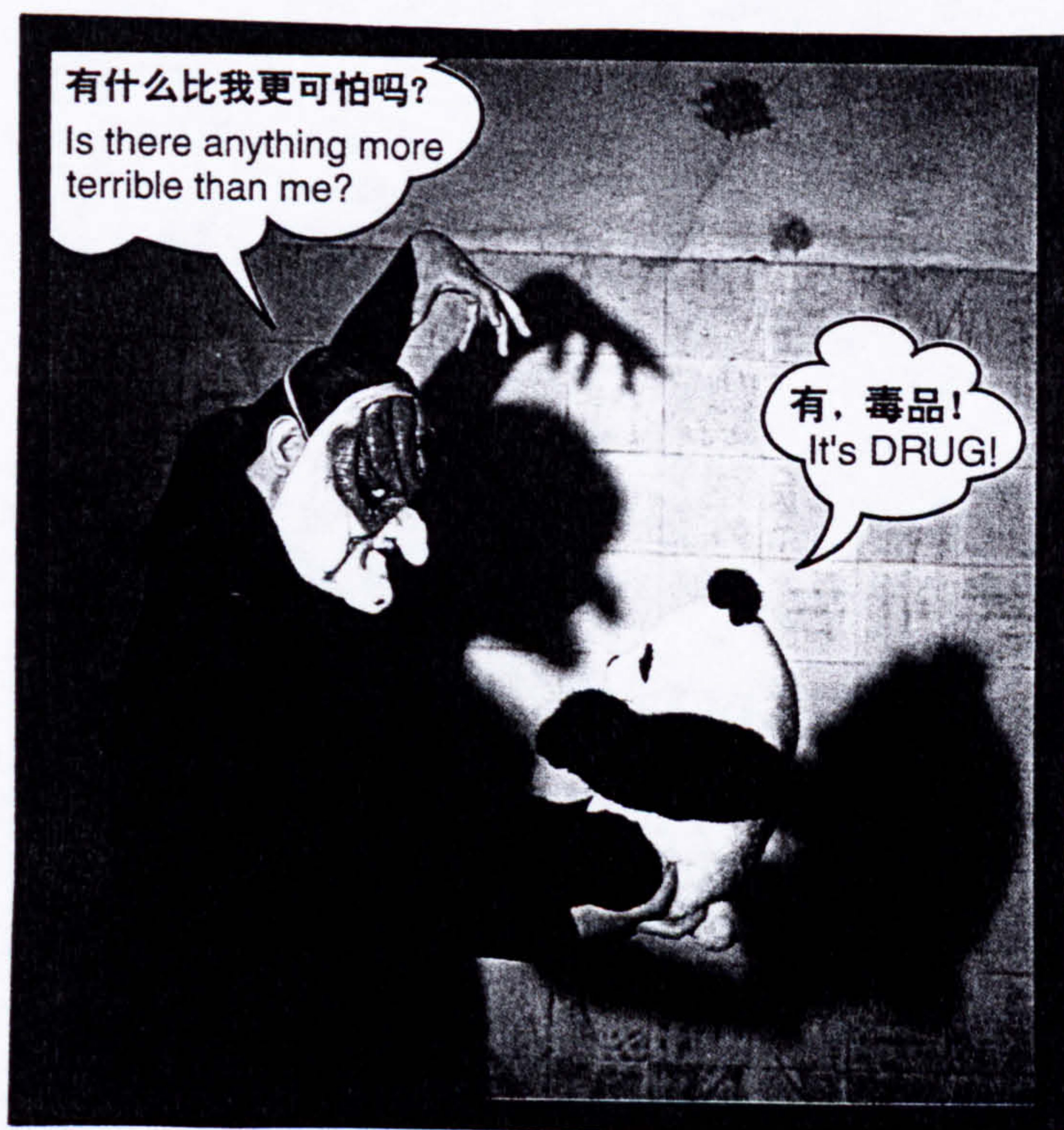


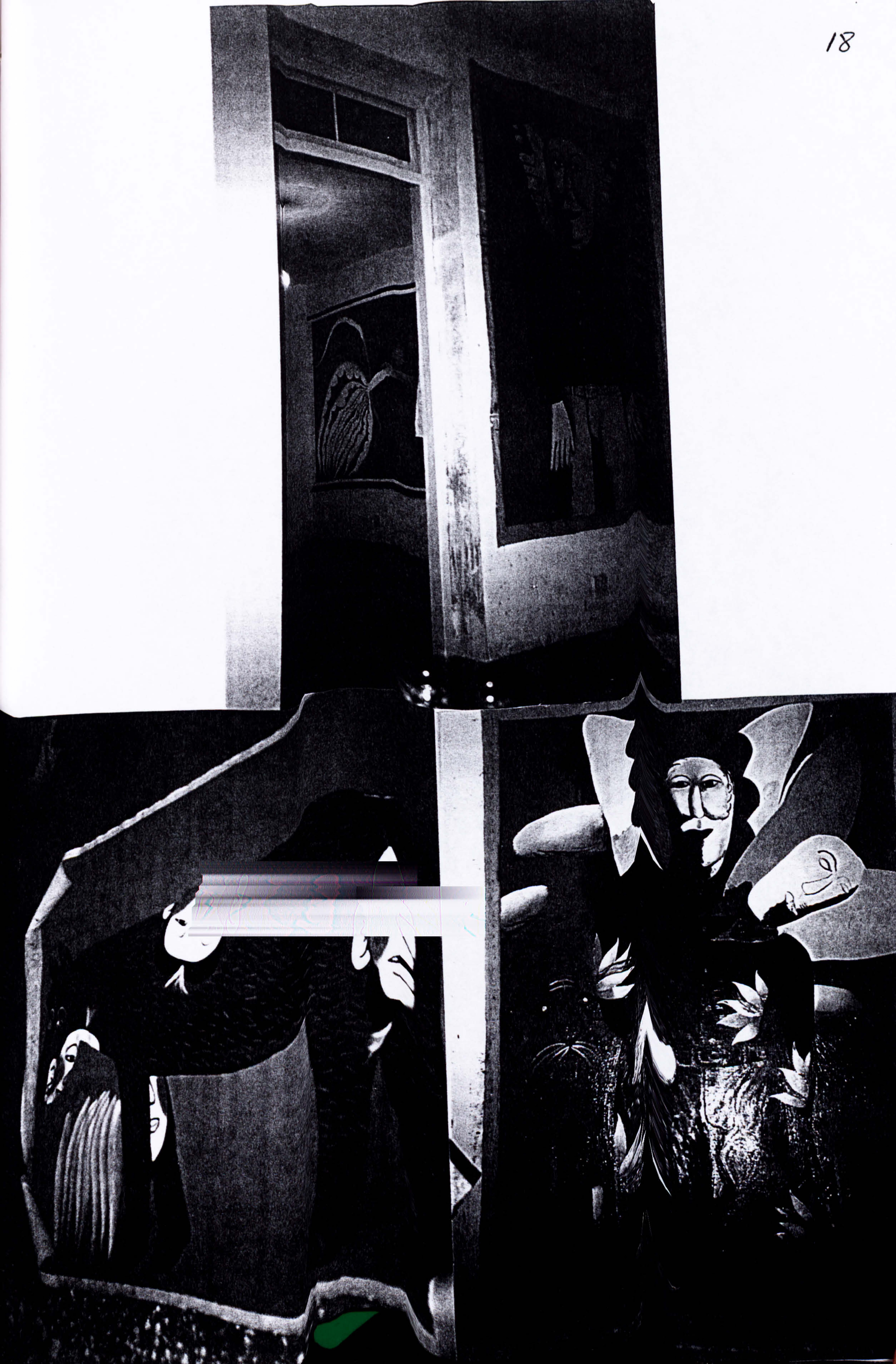


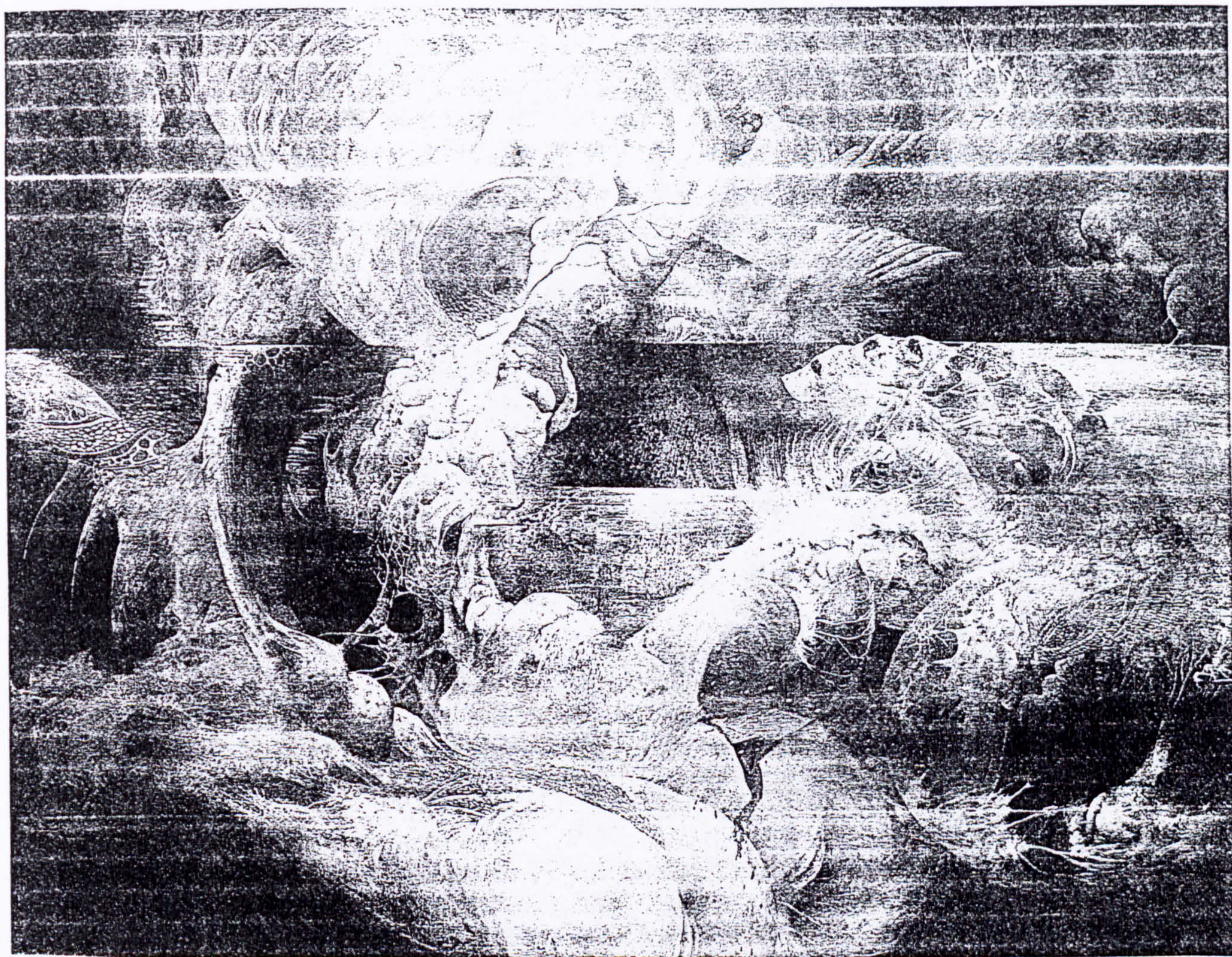




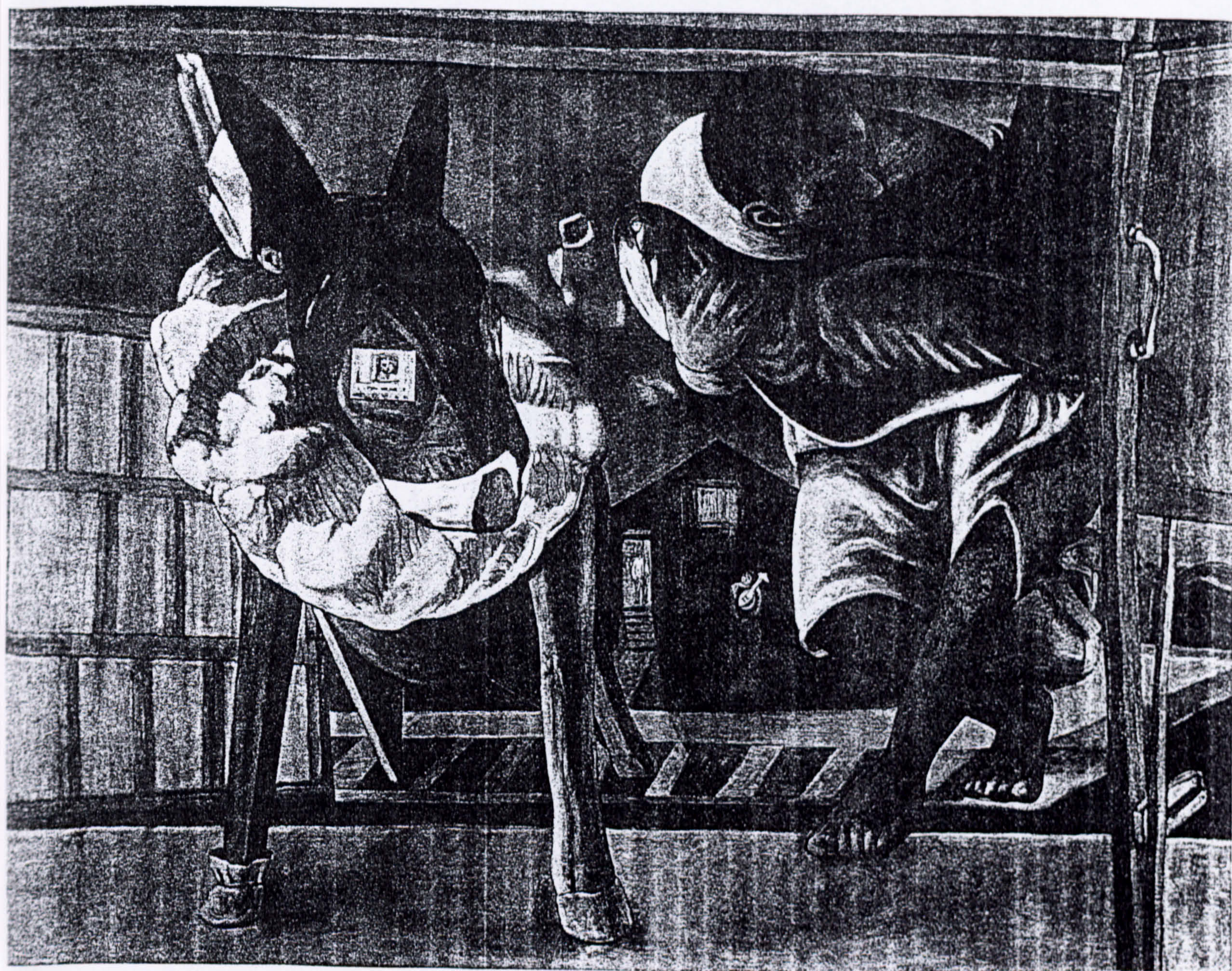








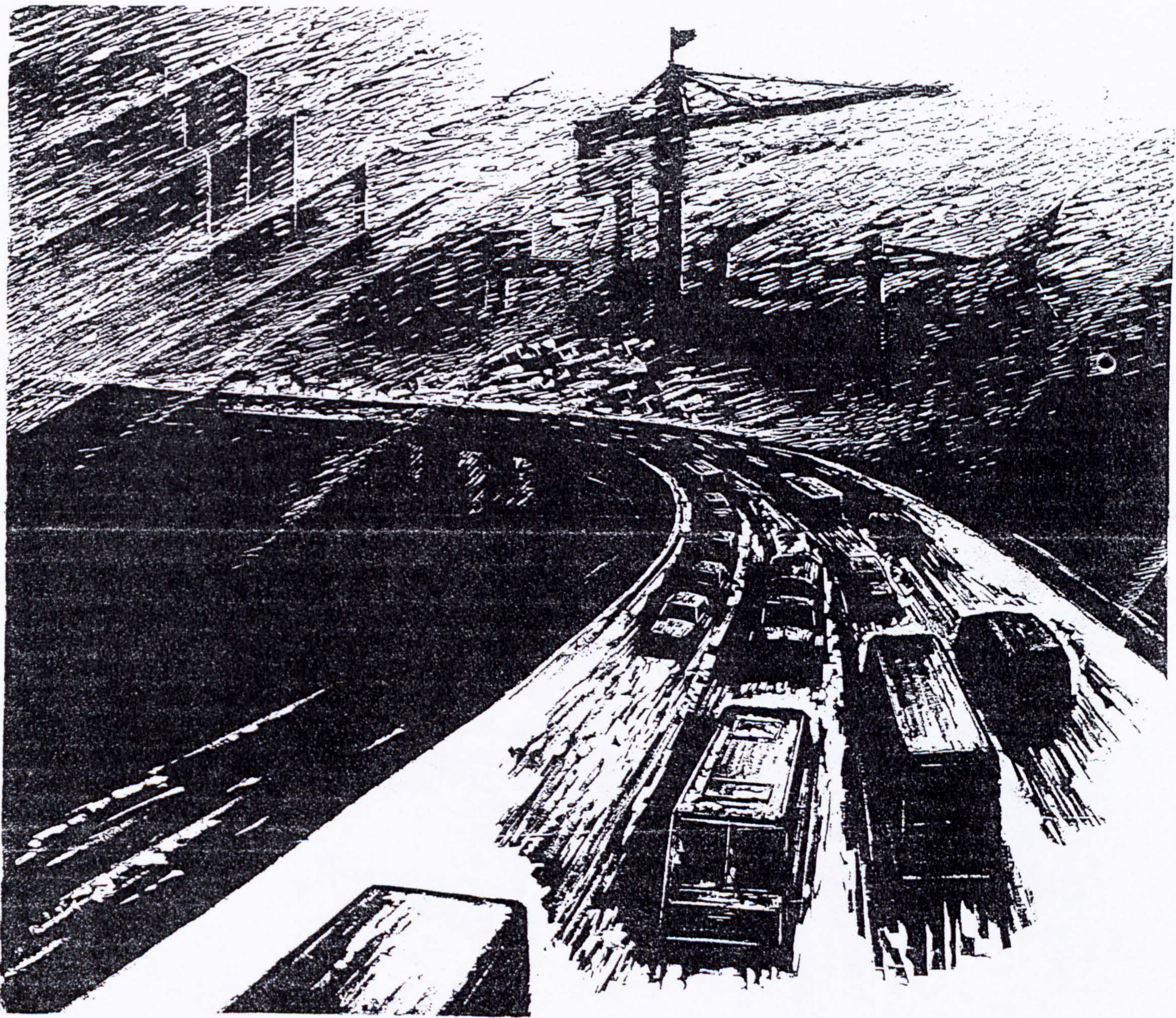






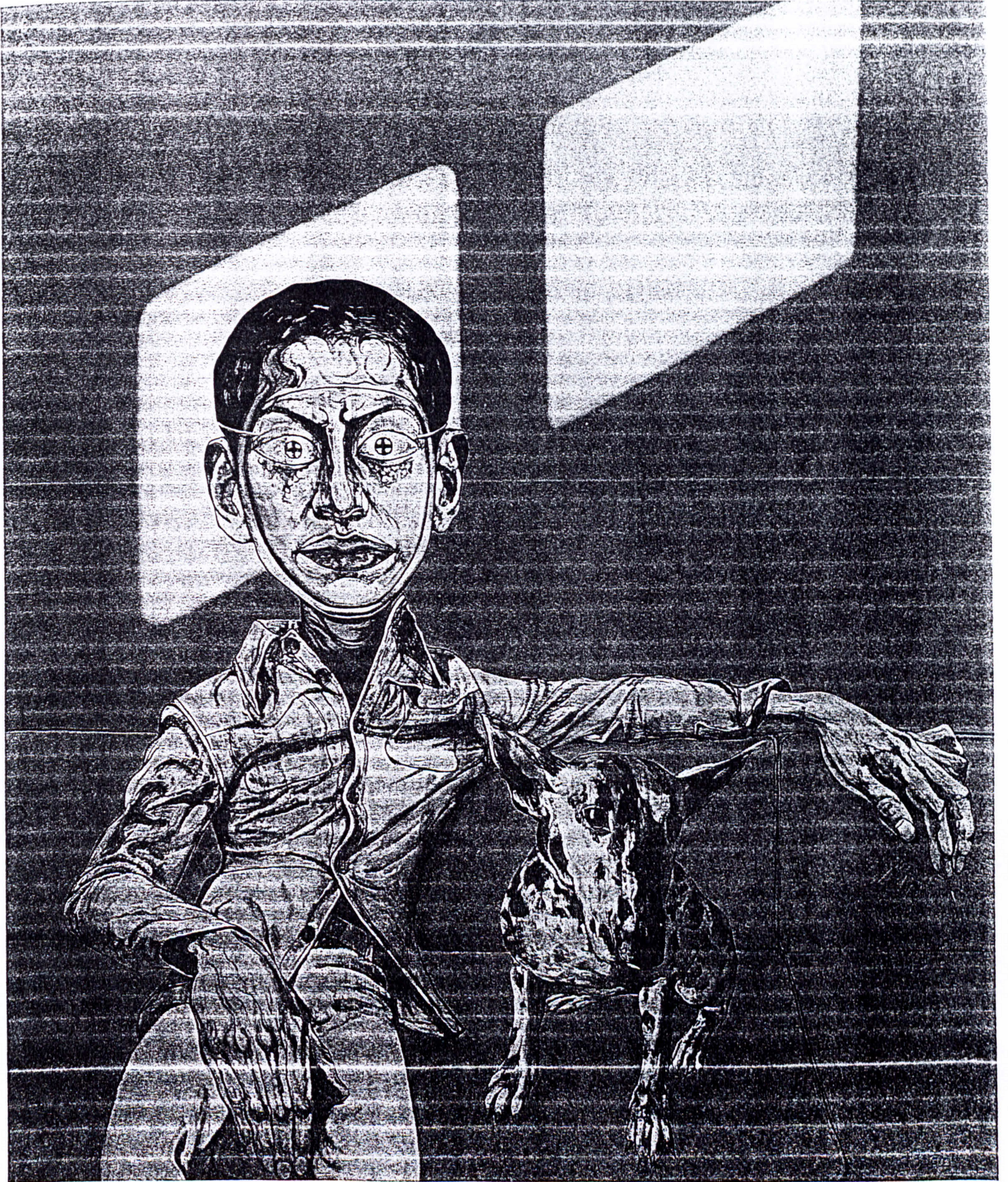


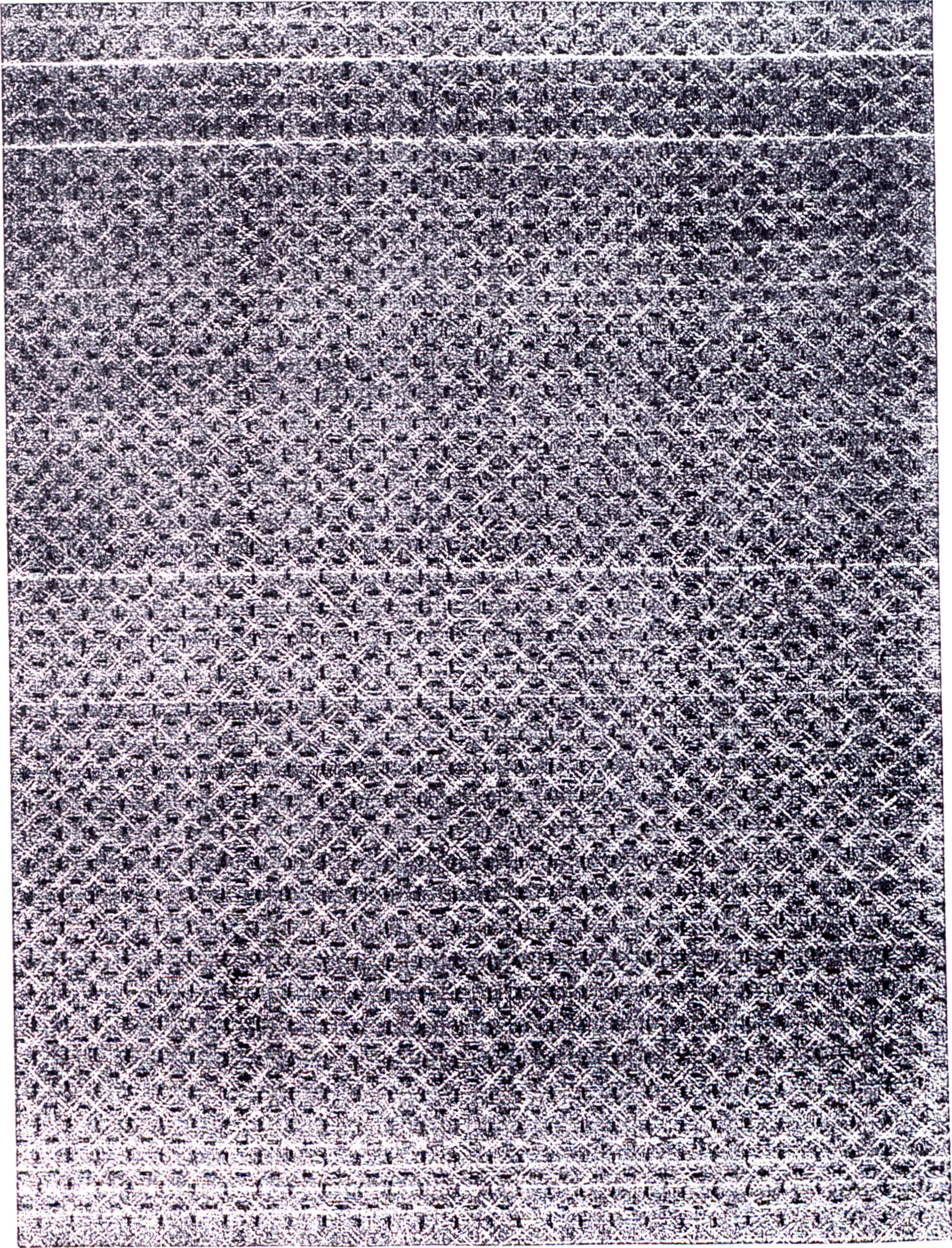
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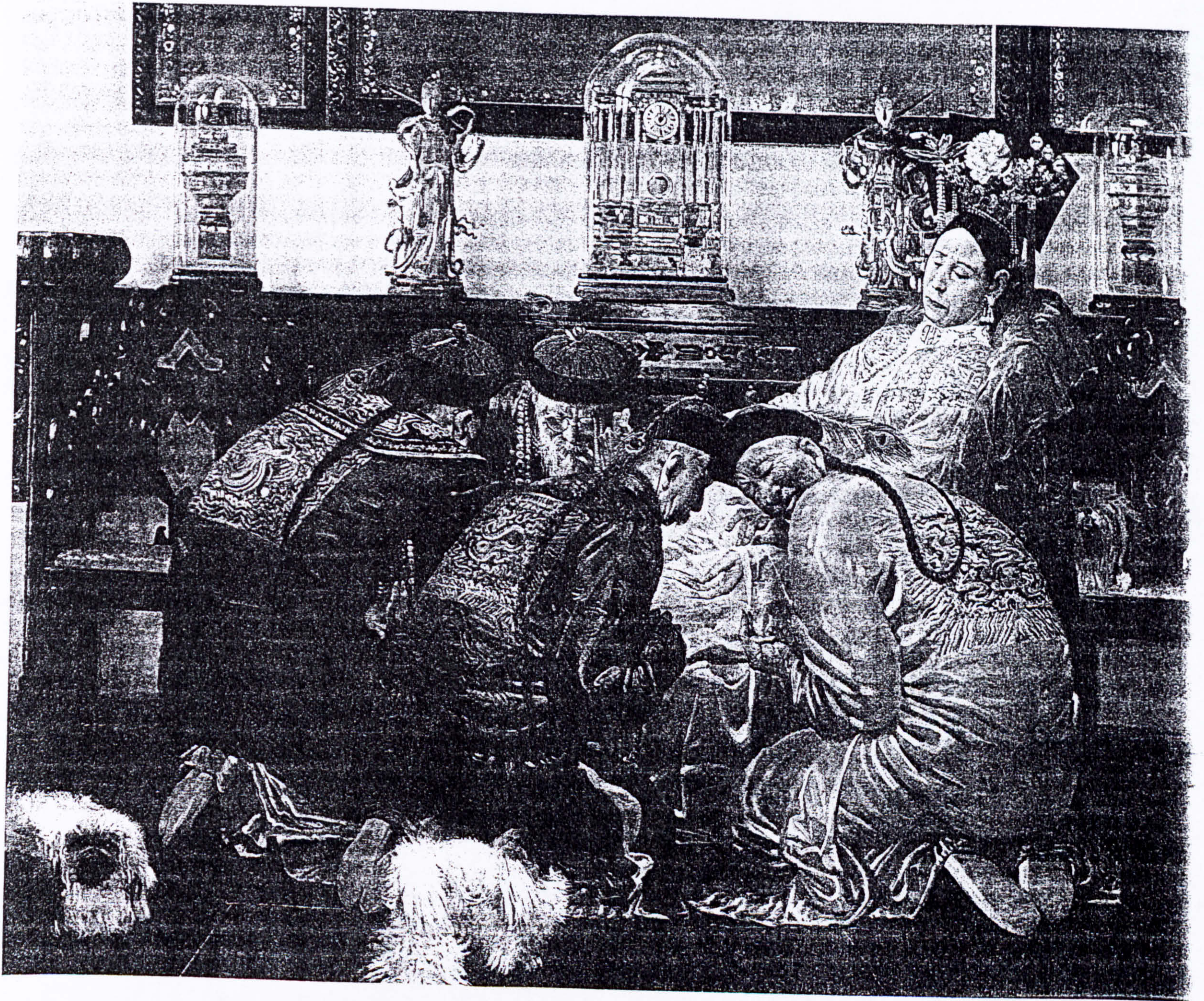
九十年代 八色車 1997年













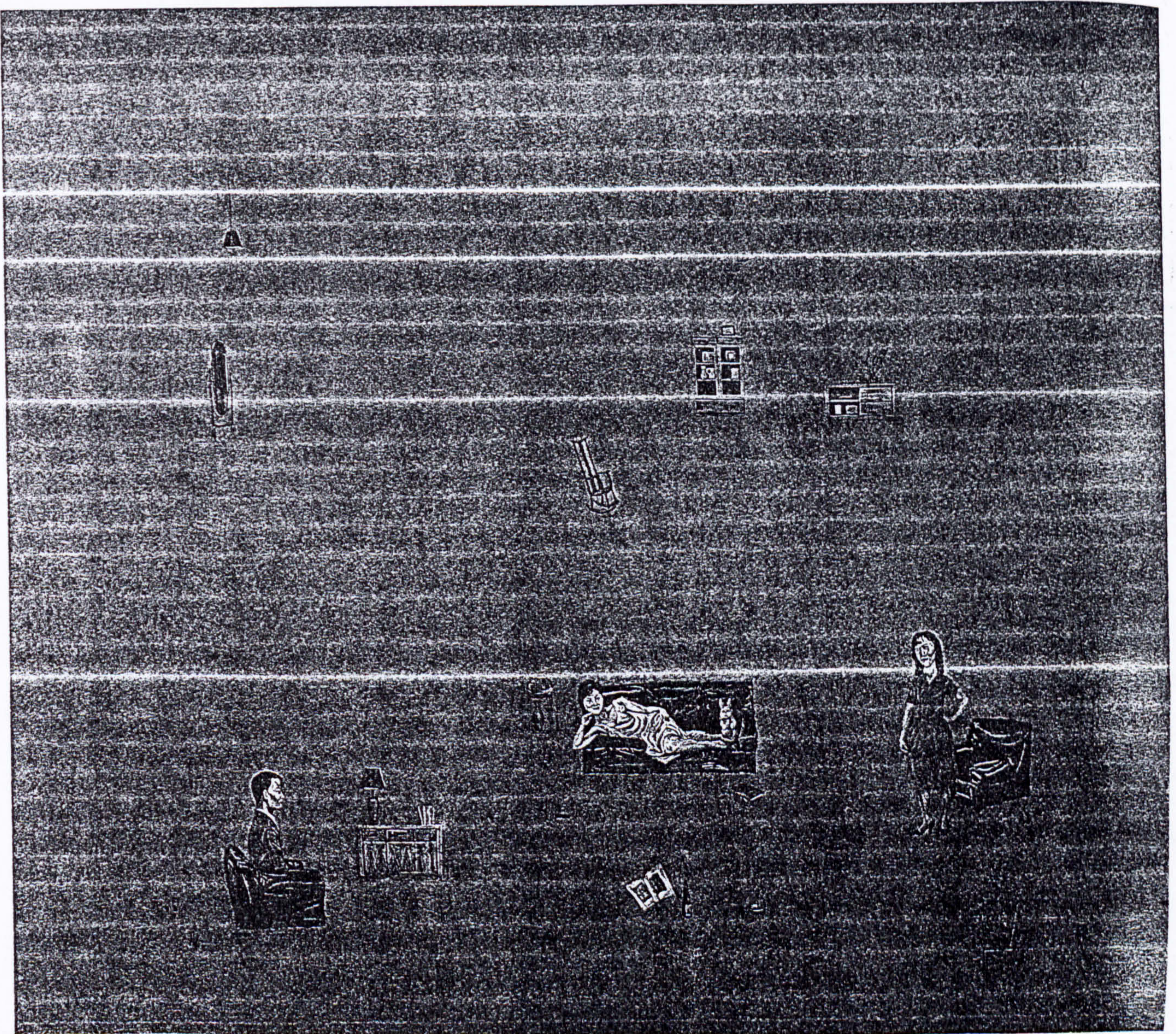
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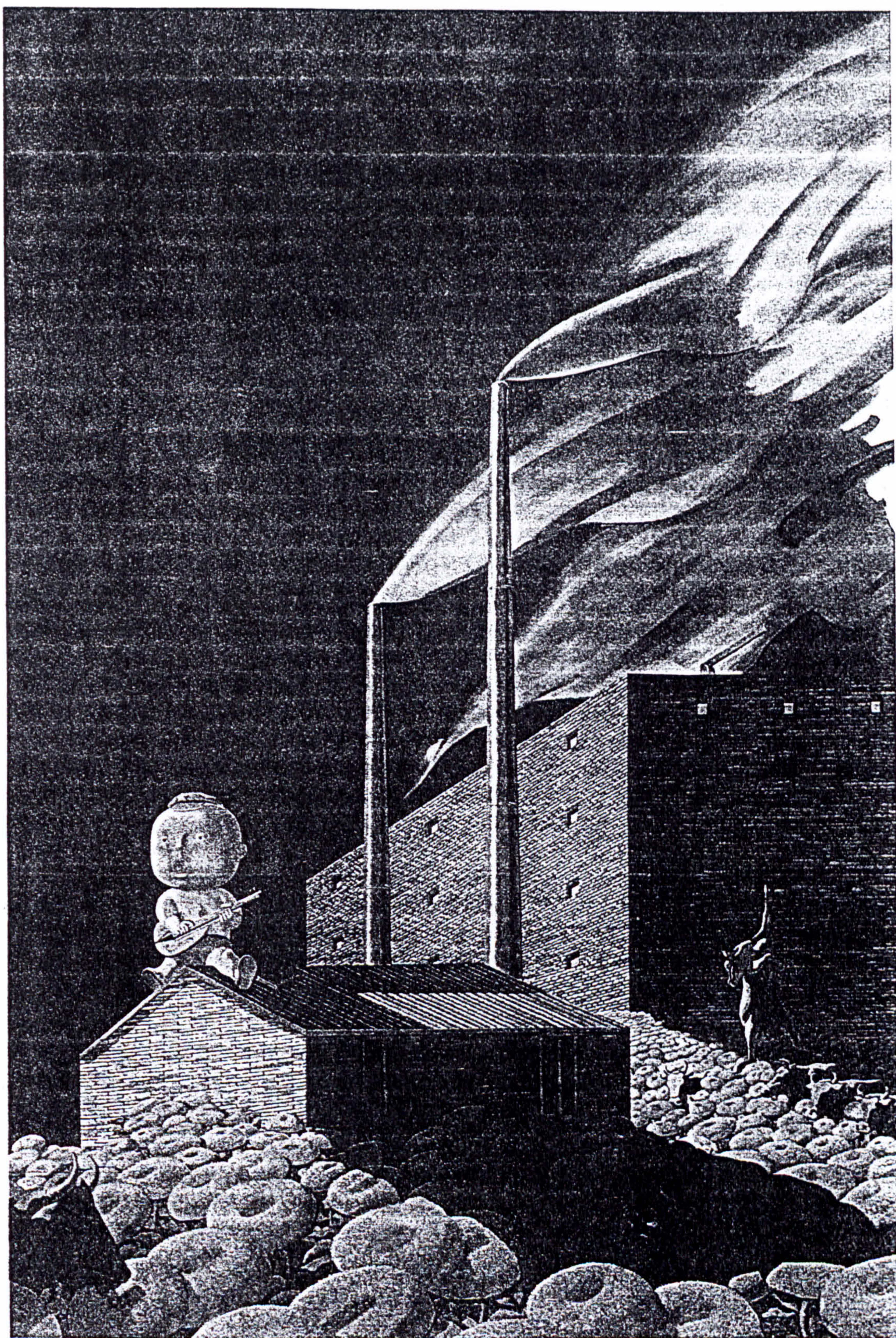


29b









33a



336

