

Prospective territorial occupations

Western perspectives on a “terra incognita” of the art world

In the course of the spectacular and steep economic rise of China the notion has spread rapidly among the general public of the developed industrial states that in the future the action will take place above all in the most heavily populated country in the world. The art world in the Western states has not remained untouched by this mood and looks, sometimes euphorically and sometimes anxiously, to the Far East in the belief that a flourishing art market will develop in Asia and particularly in China. For most of the actors China was endlessly remote, foreign and downright exotic. In 2011 at the latest the enticements and promises received fresh impetus from the news that the Chinese art market had overtaken the USA and Europe in its volume. A gold-rush mood spread widely, nourished by the sensationalism of the media reports. Scarcely anybody could resist the departure of the Western world for the Far East. “Going global” mutated into a slogan of the powerful actors on the markets of the international art trade who, attracted by the sheer wealth of the Asian world, opened up branches especially in Hong Kong, Shanghai, Beijing or Singapore. But the building up of corresponding market positions did not always run smoothly, not least because of misunderstandings arising from cultural differences. For the Western art world China remains a difficult terrain.

When it was publicly announced in the spring of 2011 that the Swiss MCH Group had acquired a majority share of the Hong Kong International Art Fair, the decision to position the Art Basel brand on the forward-looking location of Hong Kong was seen as a clever move by the experts and the media. At precisely this moment our research group was working on an ethnological field study on the Art

Basel.¹ As research instruments surveys were undertaken with gallerists and visitors and, in particular, in-depth interviews were carried out with all the groups active in the art world. In the run up to the ethnographic field research on the spot in Hong Kong, we collected at that time data on the assessments and expectations of these Western actors in regard to the emerging South East and East Asian art market and on the role the announced “occupation” of the territory by the Art Basel could play in the region. The following snapshot is based on the results of these empirical surveys, which sum up the perspectives prevailing at the time on the distant “terra incognita” of contemporary art and the art trade. We then shift the terrain of our research to the Far East in order to capture the autochthonous view of these relationships.

THE FAR EAST ON THE RADAR SCREEN OF THE WESTERN GALLERISTS

As was only to be expected, the supposedly lucrative siren call of the Chinese art market also stimulated the imagination of the Western art trade. Among the galleries represented in our survey at the Art Basel in Basel² globalization was already one of the dominant themes for the art dealers. We will now deal with some of the findings which seem relevant in this context.

The galleries take part in the Art Basel in Basel primarily for business reasons. The most frequent motives named in our Basel survey were “selling artworks” (95 per cent), “getting in contact with new clients” (88 per cent), and “presence of the main clients” (69 per cent). Only 15 per cent stated that the discovery of new artists or trends played a part. It is a well-known fact that art fairs have not only become an important sales channel for gallerists and art dealers; they also increase the renown and the reputation of the galleries. In the meantime a large part of their turnover is generated at art fairs. According to a study by the cultural economist

1 | Schultheis, Franz/Single, Erwin/Egger, Stephan/Mazzurana, Thomas, 2015: *When Art meets Money. Encounters at the Art Basel*. Cologne: Walther König.

2 | The survey of the galleries was carried out in 2012 during the Art 43 Basel by means of a written questionnaire. 96 gallerists took part in the survey, which amounts to about one third of the galleries represented at the fair.

Clare McAndrew it already amounted to 40 per cent in the year 2014.³ All the interviewed galleries stated that they would reapply for admission to the Art Basel in Basel, three quarters (78 per cent) for the Art Basel Miami Beach, but only half (49 per cent) for the Art Basel in Hong Kong. The clear ranking of the relevance of the three locations demonstrates that for the entrepreneurial strategies the regional sub-markets do not have the same value. In addition, it is clear that in the expectations of these central actors of the art trade the new locations of the Art Basel on other continents are not of equal worth and cannot compete with the fair in Basel, which has been described as the “Olympics of Art” (New York Times). They are merely satellite positions occupied in the course of a globalization strategy of the Art Basel brand.

As far as the choice of the works presented by the interviewed galleries at the three different locations is concerned, three quarters made it dependent on the cultural environment and the expected public. For Basel as a chosen location the line taken is quite clear: “best possible works”, “important works”, “very strong pieces”, “major ‘museum-like’ pieces”, “international established artists”, “artists with universal content”, but also “high profile new works” and “new works/intellectually challenging” – that is to say: the “best of the best” for the “international clients” who travel in droves to this fair from all over the world. For the location at Miami Beach the emphasis is different, namely on art from the USA, but also “major South American art”. The focus seems to be put more strongly on contemporary art and – as can be expected to some degree – on the stereotypes “colorful” or “colorful/big”. In other words the hierarchical ranking of the three locations is also reflected in a more or less subtle differentiation of the symbolical capital representing “legitimate art”. The competence and expertise of the public at the three fairs, which correlates with the length of time they have belonged to the elite of the art world and to the availability of symbolic capital is reflected here in an anticipatory diversification of the works exhibited in terms of their adequacy for the different publics.

As far as expectations in regard to the emerging art market in the Far East is concerned a relatively conventional mixture with Asiatic elements can be identified in the reactions of the interviewed gallerists.

3 | McAndrew, Clare (2015): Art Market Report 2015. Helvoirt: European Fine Art Foundation.

For the “Asian clients” and the “Asian market” they wish to present “local artists and modern art” which is less “conceptual” but rather “traditional” together with “brand names”. The statement “nothing delicate or intricate” is already a clear indication that in Hong Kong – in comparison to the elitist Basel variant of the fair – the gallerists do not expect to encounter a public initiated in the spheres of a discerning and sophisticated love of art. Some gallerists also make no bones about the fact that the potential buyers belong to the category of new money instead of old culture. In other words a reserved and relativizing perspective of the Western actors in the art world is reflected here in regard to the transcultural contemporaneity of the love of art. This is reminiscent of the classical attitude of Western civilizations towards the economic, political and cultural developmental deficits of other regions of the world in comparison with their own one best way of occidental modernization and rationalization.

The exhibitors interviewed at the Art Basel participated to a high degree in other art fairs. Sixty five per cent of the galleries were represented with a booth at the Art Basel Miami Beach; the figures are somewhat lower for the direct competitors of the Art Basel: Frieze London (40 per cent), Frieze New York (34 per cent) and the Armory Show (32 per cent). The FIAC Paris also evidently plays a big role with a participation rate close to 40 per cent. But the greater the geographical distance to the traditional art fairs in Europe and the USA is, the lower the participation of the galleries represented at the Art Basel in the fairs. Only a few of the galleries interviewed have hitherto attended fairs in Latin America or Asia. One reason is that the majority of the galleries represented at the Art Basel come from Europe and the USA – in spite of the repeatedly proclaimed global character of the fair. In the year 2014 64 per cent of the galleries came from Europe, 28 per cent from North America and only 8 per cent from the rest of the world. Until its decision in 2011 to conquer the Asian market the Art Basel was committed only to a very modest extent to an East-West exchange. It seems instead to have been primarily interested in the marketing opportunities this financially strong region offered for the goods of the Western art trade.

Characteristically the gallerists and art dealers interviewed saw the factors which could influence the development of the art world mainly in the sphere of demand. In their opinion the future art market will be determined “very much” by new types of collectors (62 per cent) and new groups of buyers (59 per cent). To which geographical regions could

this better apply than to South East and Eastern Asia? It is not, therefore, surprising that in the opinion of the interviewees the centers in the Far East would, above all, gain in importance in the global art market of the future, clearly led by Hong Kong (85 per cent), Shanghai (58 per cent) and Seoul (52 per cent). They also felt that the significance of Latin America would continue to increase, above all Sao Paulo (68 per cent) and Mexico City (46 per cent). Nevertheless, in the opinion of the gallerists interviewed, the hitherto predominant metropolises of the art world, New York, London and Paris will continue to be of extraordinary importance. The opinions expressed by the top gallerists represented at the Art Basel in Basel thus reveal a strikingly clear prognosis on future market developments, which clearly point to a shift in marketing opportunities from West to East.

The emerging geopolitical shifts in the world of art also directly affect contemporary art itself. The gallerists interviewed see the globalization of art as leading to an increasingly pluralistic notion of aesthetics (55 per cent) or expect a more powerful influence of aesthetics from the “emerging countries” (30 per cent). Only one in seven (14 per cent) of the interviewees believes in a continued dominance of Western aesthetics. This is also an eloquent testimony to the fact that the “big players” of the art market clearly expect fundamental cultural-aesthetical transformations as a result of the shifts in the market.

In the opinion of the gallerists interviewed these rapid and radical changes in the art world can also be seen as one of the central causes of the recent price increases for works of art. The dynamics behind the increases are regarded as being primarily driven by financial factors. “New groups of purchasers with high incomes” (49 per cent) and “capital investment and market speculation” bear “very much” responsibility. In addition the factor “the growing market power of auction houses” is frequently mentioned (39 per cent).

Significantly the interviewees, mostly US-American and European gallerists, emphasize that a high percentage of their customers do not attend art auctions. Here a purist feature of the “initiated” is evident, which sees a direct relationship between the collector and the galleries and artists: “gallery clients”, “good” collectors “who only do primary market”; “many collectors only buy art on the primary market, ‘clean art’ that has come directly from the studio”, “they prefer to buy at the gallery because they prefer to speak about what they purchase”, they are “more involved, interested in both the artist and the work” and in addition they

are “independently minded”, “patient, knowledgeable & secure”, all in all “serious!” and “uninterested in money games”.

The ideal type of the gallery customer as a lover of art in the pure form depicted here contrasts sharply, however, with everything one could and should know from our survey of 2012 on collecting and purchasing behavior, the existence of art investment groups or art trusts and the blatantly commercial practices of the Chinese art market. After all the typology of the collector evoked by the questionnaire gives an absolutely clear picture of the polarities between “pure” love of art here and superficial appropriation of art and pure money matters over there: “art lovers, investors, prestige snobs”. Although some of the ascriptions to types go into detail – for example contrast collectors who accompany an artist from the start, bank on upcoming artists or only invest in firmly established artists – the opposition between “commercially motivated” and “artistically motivated” remains all too clear. How far this dichotomy, be it implicit or explicit, can determine the assessment of the emerging Far Eastern market must for the moment remain an open question.

Another fundamental problem thematized in the survey of the gallerists in regard to this highly sensitive and atypical market for singular goods concerns the way in which the galleries assess the respectability of a new potential customer. Hints from professional art experts play the most important role in the answers given (48 per cent), old established customers are of similar importance (48 per cent) and other personalities from the art world are cited rather less frequently (41 per cent). Above all, however, the first and the second impression are decisive: “by having a personal conversation with the client”, “from the seriousness of the conversation”, “by intuitive confidence”, or quite simply “if they have manners”. So far, so good. But how do these strategies designed to create trust work in an alien cultural space, where “old established customers” can scarcely serve as references for largely unknown newcomers and a variety of problems – filters and barriers – set limits to intercultural communication involving intuition and empathy when business negotiations based on mutual trust are to be initiated?

To put it briefly: the picture arising from our representative survey of the top galleries represented at the Art Basel in Basel is highly ambivalent if not contradictory. As in the case of “territorial occupation” in distant continents by Western colonizers we are dealing with a mixture of very different and partly contrary sensitivities and motivational stances.

On the one hand we have the siren calls of the “treasures” and market opportunities waiting in the faraway world, which must be quickly seized upon, if the train into the future is to be caught on time. And on the other hand there are the uncertainties of an alien world, in which the customary rules of art encounter totally different cultural dispositions, so that, like Columbus, one is searching for India but must in reality be prepared to discover a different continent.

DIAGNOSES, PROGNOSSES, PROPHECIES

What are the assessments and expectations with which the actors of the Western art world anticipate the future of the art market in the lands of the rising sun? Some answers can be found by looking in more detail at the statements made by the gallerists, collectors, curators and museum staff in the in-depth interviews when the conversation came round to the question of the situation of these emerging markets. In the talks held during the Art Basel in Basel in 2012 the topic of upheavals in the art market inevitably came up in view of the growing significance of the new markets, although the tone and the nuances of the contributions varied widely. All of the interviewees agreed that the Asiatic region would be a determining factor in the future global art market.

“THE MARKET OF THE FUTURE”

“That is the market of the future”, the owner of a large Swiss gallery proclaimed. “There are figures which show how wealth will increase there or museums sprout out of the ground. The collectors guilds will grow and so it is absolutely necessary to go there. Absolutely! The art market has changed in the last five years. USA was in first place, Great Britain second. Ten years ago China’s share in the global art market was around or under five per cent. Now, in 2011, China is the number one. Of the 10 biggest auction houses in the world seven are Chinese. And so it is only logical that Sotheby’s and Christie’s go to Hong Kong with their auctions.”

On the increasingly apparent geo-political shifts in the art market the owner of a big German auction house states: “Ten years ago, I would say, 10 years ago London was the number one, the USA number two, and then

for a long time there was nothing. Then came France. In the meantime the USA is number one and China is number two. Then there is nothing for a relatively long time. And then comes London. But we know that it is only a question of two or three years until Asia – I say roughly speaking Asia – is number one and New York is number two with a big drop after these two. If you observe these currents you have to react and I have to establish myself in Asia. But I don't believe that the Asians will let the Europeans or the Westerners take this market away from them."

Important players in the Western art market seem to be convinced that the big business in art commodities will definitively shift to Asia within a relatively short period of time. This also means that they will have to gain a foothold there in order to participate in the emerging market scene or they will have to abandon this business to the local actors. And so auction houses, gallerists and art dealers are going east, although the enthusiasm is subdued. "Now we are going to Hong Kong to the Art Hong Kong in two weeks time", a Swiss gallerist says. "This is a new field for us. So going global includes the Asian region. For us this is completely foreign territory. Up to now we have been oriented on the West and have built up a network here. I believe that a lot will now change. Everything will move a little bit more closely together."

A journalist and art critic distances himself from these sweeping interpretations and assesses the influence of these shifts in the market in a much more reserved way. "Of course there is a series of new collectors from the threshold countries. There have been collectors from China, Indonesia, South Korea, whereby everyone has actually said that the market is carried by the NATO states. If last year we had four Chinese instead of two, that is an increase of one hundred per cent, but that is still relatively few. And the markets are only in the process of developing. The Art Basel is now trying to offset this by setting up in Hong Kong from next year onwards. And from the NATO states there has certainly been a series of younger collectors. What made this year less strong, I believe, was the hedge-fund types who started investing in art on a large scale before the crisis of 2008 and then had to cope with consolidation. But I believe that at the moment art as a field of investment is still a bit too fluctuating for them. I have the impression that there are a lot of new collectors going around, but they are interested in building up collections and less in making short-term investments."

The statements of many interviewees express a kind of fatalistic acceptance of the apparently inevitable transformations, as in the case of a well-known London gallerist: “But, increasingly, the more adventurous collectors are coming over here and looking at Western art. You know there are 35 cities – I think it’s probably changed now, this was a while back – with a population of over five million in China. And each of these cities in the next five to 10 years will have an art museum, I believe, a contemporary art museum. And when that happens it’s natural.”

“LUXURY GOODS”

From the perspective of all the interviewees the future and already observable relocation of the global art market is a fait accompli and they are equally convinced that this process is and will continue to be accompanied by considerable ambivalence and contradictions. The interviewees provided differing accounts of the transfer difficulties involved in the import and export of symbolic goods across very divisive cultural borders. Many of the actors questioned pointed to the discrepancy between economic purchasing power and cultural competence in dealing with contemporary art, which they felt to be characteristic of this emerging market.

A big collector from Switzerland put it as follows: “Why has the interest in contemporary art become greater? Well my theory is, I believe but I don’t know whether it is true, that in the last 15 years the number of big fortunes in the world has grown. But big fortunes have no tradition; the new ones that have arisen in the last 20 years have no tradition, but when these people have everything, car, dog, wife, house, bank account, ship, then at some time or other they want culture. Not perhaps because they are culturally interested, but because it is a status symbol, something that can be exhibited. And the easiest way for them to acquire culture is to buy a picture and to hang it on the wall at home. And it is a status symbol if the picture bears the name of an artist who is well-known. ‘I have a Gerhard Richter. And you?’ ‘A John Currin, a Damian Hirst and Andy Warhol.’ ‘Wow, I have to buy it.’ That’s what happens and it happens world-wide, particularly through the auction houses. And because wealth has grown faster in the Asian Pacific region or is generally booming art from this region has suddenly become interesting. In the beginning it was the Europeans and Americans who exploited the situation. But now the main

customers for Chinese, Indonesian and the other art are the local people, the rich people from the region.”

The opinion of an Austrian museum director has a similar ring: “But of course these super-rich Asian and Chinese also want to fill their museums with the same classical modern works that fill the museums everywhere here in Europe and the USA. Filling the museums comes first.” Here a well-known pattern of social distinction within the community of art lovers shines through, involving changing variations of the same theme of the opposition between “old money” and old cultural capital on the one hand and “new money” and social upward movement with cultural aspirations on the other – a pattern which is here converted into a West-East opposition within the global art world.

Typically the arguments are based on a kind of spontaneous social psychology of the class of the “nouveau riche”, who attempt to underpin their claim to social status and legitimacy by demonstratively acquiring luxury goods, of which the most luxurious are works of art. Along these lines a London gallerist says: “You’ve seen how luxury goods can be acquired in every city in China now. There’s a shopping mall, Louis Vuitton leading the way with a lot of other brands piggybacking on the back. Shopping malls have developed in every city, and all of these 35 cities have this focus on luxury goods. The natural next corollary with people of high net worth is to engage in looking at other ways to build up their assets, and contemporary art is certainly going to be an important asset field for Chinese investors in the future. I believe that they will naturally look to international art and not just their own.”

This view, which is shared by other dialogue partners, seems to assume a kind of cultural evolutionary principle according to which it is only a question of time until the “nouveau riche” from the emerging countries who are searching to satisfy their desire for luxury goods “naturally” turn to the “higher” cultural goods of the art field – and “not only to their own” but also to internationally established art. A kind of transcultural or global model of elitist distinction is postulated, the one best way to become cultivated as practiced by the European upper classes, which will sooner or later be followed by all the other members of the transnational class of the economically privileged.

A Swiss art collector speaks in a similar fashion: “Formerly the big works disappeared to America and now they disappear to Asia. If I now think about India, for example, it will certainly take another decade until

they enter the market. But these up and coming countries will certainly become important participants in the market. I'm convinced of that. Today the Chinese are buying luxury watches and in a few years it will be works of art. The art market is just as much affected by globalization as all the other markets, that is more than 100 per cent sure." In an analogous way an art critic analyzes the relationship between the new wealth and the awakening of a new love of art. "There is a new layer of very rich people who want art. Such a simple development always happens when someone begins to take an interest in art and this stage has been reached."

In other words the deficiency of a culture of collecting for the development of a primary market is deplored by many people. A Swiss gallerist puts it in a nutshell: "I have heard that Asian collectors at the moment either tend to buy Asian art or if they buy European, Western art they prefer blue chips, established artists with a reputation. They are less interested in wanting to discover very young artists."

"ASIANS LOVE BRANDS"

Again and again the Western actors we interviewed pointed out that their opposite numbers in the Asian region are at the moment still involved in a learning process which will enable them to catch up on a developmental deficit resulting from understandable specific socio-historical circumstances. "Of course they do not have the taste in art of our Western culture", a Swiss gallerist reports. "Where could it come from? The Chinese do not even have it in regard to their own culture. [...] Cultured people sometimes tend to show a certain degree of intellectual arrogance and of course it shows. [...] But if they want to do business they have to go there. And then they have to find out what the people there actually like, what they want to see. And they also have to offer them something."

In other words this gallerist advises his colleagues to "get off the high horse" of elitist Western cultural smugness and to show openness towards the developing competencies and needs of the newcomers in the Asian art market, as they did successfully three decades earlier with Japanese buyers. "There's a lot of money circulating, more people can afford art and more people have access to it, as the level of education is higher than in the past. One should not forget that all these upcoming

countries do not possess European art. But they are now also entering the market. You can see this, for example, with the Japanese. They are willing to pay any price.”

Another colleague, who also owns a well-known Swiss gallery, takes Turkey as an example for this process of catching up: “Perhaps I should add the following point: Why do you think the art market is now growing so rapidly in Turkey? Because the country is prospering; because there are rich people there, extremely rich people. And no museums, scarcely any museums. And the collectors dominate what happens there to an enormous degree. And they collect. And they inform themselves. They are very clever. They go to Europe and the USA and then art begins to take root in their own country. At first it is guided by Western norms but it develops further in a direction of its own. That can be ascertained very precisely.” A Swiss collector explains the fledgling collector culture in this region with the following words: “But it’s fully clear that they are not in a position to judge a painting by Richter or somebody else from an artistic standpoint. [...] But they know that it is expensive. So there is a certain danger that the Asians will, how should I put it, buy art with a brand name. Because they want to be on the safe side.”

“But with brands the case is clear: the Chinese or Asians love brands”, another gallerist says. “They also enjoy just looking. But logically there are a few collectors who can afford it. There are more rich people there than anywhere else. That’s true. I believe that when a gallery is active in this segment it’s absolutely the right thing to do. They must take what they have with them. They deal in brands. And that is absolutely right. [...] There are other artists whose fame as a brand name exists outside our regions, for example Anselm Kiefer in Asia. That has to do with education. Artists see this Kiefer at a very early stage. Possibly they don’t know anybody else to the left or right of him. He just happens to be a big hero right now. For example White Cube has organized a Kiefer exhibition. About 20 of his big paintings are hanging in the White Cube in Hong Kong. And around 10 of them deal with Mao. So Kiefer has actually rediscovered Mao. He had already produced several pictures in the 60s, ‘Let a thousand flowers bloom’ or something like that, and now he is taking it up again. It is quite a pitch for the market. I can’t explain why nothing else occurred to someone like Kiefer. I simply can’t explain it. Unless the White Cube suggested to him that this is the right choice. The Chinese will probably buy it. That’s what I mean. There are a few brands, but they do not necessarily stand in

the front row in our part of the world. If I wanted to get rich by investing in art here, I really wouldn't buy a Kiefer. There are also other brands. [...] The fact of the matter is that they like colorful stories. The further you penetrate into South East Asia, Indonesia and so on the art also becomes very colorful, very flowery and so on. It is then necessary to look for a Western artist who fits in with such a direction in taste."

In view of the lack of an autonomous culture of collecting, which has grown historically over a long period of time, and of the accompanying collector's habitus as an ensemble of aesthetic, intellectual and moral dispositions, the novices of contemporary art from the Far East must bank on safe values, that is to say values which have already found recognition in the market and in medial representations. As the newcomer does not possess a kind of gyro-compass enabling him to take his bearings autonomously with the help of his own competence, he is guided by a radar screen which captures and displays the relevancies and conventions predominant in the relevant social environment. He is not "inner directed" but "other-directed" as the American sociologist David Riesman would put it. It is interesting to note that such judgments are also made by interviewees from the West who themselves are not at all acquainted with the East Asian region in general or its art market in particular. Accordingly we are dealing with speculation and projections on the basis of the domestic context of current patterns of thought and interpretation. And we can assume that here the customary stereotypes about the type of collector termed "nouveau riche" deriving from the familiar local context and its competitive struggles as to what can be regarded as genuine collecting are simply converted into an ethnocentric blanket (pre-)judgment.

"VERY MUCH MARKET ORIENTED"

At the same time there are regular references in the dialogues to the fundamental contextual differences between the Western art field and its typical institutions and professional actors, which are the product of long-term historical growth, and the emerging, very much market oriented art world in the East. "I regard it as an operation system for art, that's the way I see it all" is the description of the art world given by one collector. "It consists of a network comprising the collector, the gallerist, the artist, the museum or the institution, the art critic, the auction house. I see the

whole as an operating system. Here in the West it is highly developed and everyone plays his part. But in China, for example, this has only evolved in the last 15 years; it was totally rudimentary before that; there were only artists. Of course we are always speaking about contemporary art. There were two or three magazines with art critics, but there were no galleries and no institutions which showed contemporary art. Fundamental elements which define the system here did not exist. It was a system *sui generis*. It has of course developed further, but in contrast to the system in the West, which is perhaps halfway balanced out, in China it is very much market oriented and is dominated by auction catalogs and auction houses, because the balance we have is simply lacking, for example independent art criticism, and institutions which have exhibited contemporary art for a long time and have a certain tradition in this respect. On account of this the two markets are differently constituted.”

In other words, according to the accounts of these Western collectors it is absolutely evident that in view of a massive socio-historical delay in the development of autonomous structures of the art field in these Asian regions and of the lack of a well-functioning network of relevant institutions they cannot be expected to catch up with the Western game of art and its rules within a very short period of time. This applies specifically to the aspect of the very weakly developed gallery culture, which is the core of the operating system in the occidental field of modern and contemporary art.

Asked for his judgment on the reason why a completely different importance is attributed to auction houses in China and why they enjoy more trust and credibility than galleries one collector answered: “This difficulty will disappear in the course of time as the galleries are visibly taking over a similar role to the one they have here. This role simply did not exist earlier, as the galleries could not do anything for the artists in China. For a long time the artists were not able to exhibit their works, on account of the censorship and so on. A gallery, if it had existed, would not have been able to organize exhibitions or publish catalogs; every catalog has a book number which can only be acquired officially. But this was simply impossible in the case of contemporary art. And so the artist said ‘Why do I need a gallery at all, basically I have to do everything myself anyway’. And this has led the artists to sell their works themselves. I have bought 90 per cent of my collection directly from the artists themselves. This generation of the 80s and 90s, who are now perhaps around 50, are

still accustomed to sell their works themselves, or now perhaps through a gallery or even several galleries, or themselves. [...] They still know the tradition of the times when the gallery only played a marginal role. Nowadays it can perhaps round off or increase purchases, but the artist still believes that he himself does it best. But the younger artists already cooperate increasingly with galleries. More and more galleries from the West are indeed introducing the Western custom of the exclusive contract, the anchoring in the market. In the course of time the systems will converge but the auction houses are still more important there than they are here, and the trust in the galleries is not the same as it is here. The Chinese buyer believes in the pricing of the auction houses, although he himself cheats most of all. He cheats the most. But he believes in publicly visible pricing. And vice versa he believes that the gallerist tells him one thing and me something completely different. That is why the tendency to do a lot of buying at auctions still exists. It is often the case that he only gathers information, further information from the catalogs. If the big museums haven't organized an exhibition, then they also haven't acquired a certain visibility. They then see it in the catalog, write a text about it and he reads it. That's why they carry particular weight, greater than here."

"DON'T TRUST THEM"

Incidentally, the criticism expressed here about some of the business practices in the Asian region also applies to the behavior of some art buyers, as is shown by the account of a German auctioneer: "The problem is: don't trust them. That is always the case. The worst payers we have in the branch are the Chinese. It's very risky to do business with them. And the provisos and thumbscrews we use are in the meantime hard, very hard. They have to deposit a quarter of the estimated price in cash in advance. They have to submit two credit cards and the like. So it's very interesting to see the way the market there is changing and shifting."

A gallerist in Switzerland also sees the dominance of the auction houses in the Asian context of art collecting as a key explanation of the striking difference to developments in the West: "If we think about the Asian region, and above all as far as mainland China is concerned, we must realize that, from the perspective of the tradition and history of contemporary and even modern art as we understand it, a start was made

only about 30 years ago. That was with the departure of Mao Zedong and the takeover by Deng Xiaoping, with the opening up; it was only then that contemporary art actually began slowly to reach Asia and China through various information channels. That means that there were no collectors of contemporary art; this was something completely new. There were probably people who were interested, on the margins. It is interesting that, in contrast to the Western world, the one or the other collector there whom we would describe as a collector came to be a collector through the auction market. He got his information and did his buying there and not in the galleries, but first of all through auctions. That has something to do with mentality. As people lacked the information they took their guidance from auctions; they felt safe there. It has nothing to do with prices, whether they say that's realistic, 100 or 15 is realistic. But they have seen people there, a lot of people, all of them make offers, and they have known one or the other. They have seen how a price comes about. It doesn't matter how high or unrealistic the price was, for them it was real. And they shied away from going to galleries, well, because they didn't know how the price came about or what it meant. But it was really fascinating to observe how many of today's collectors have come into the primary market."

Overall it seems as if such Western observers of the more recent developments in the Far East art market show a great deal of understanding for aspects which tend to fill art lovers and collectors of the old school with consternation and explain everything again and again according to the pattern of delayed development and catch-up learning processes. Some of the interview partners speak of already observable progress in the Asian collectors' community. As one collector from Switzerland explains: "Among themselves the collectors don't necessarily put their cards on the table. They're so very ambitious. Gradually they no longer only want to buy brands; they also buy for investment reasons, as it has at all events been drilled into them that art is a good investment. But now they want to start differentiating; slowly they have reached the point here they don't want to have the same collection as other multi-millionaires. The differentiation is now setting in."

One aspect of the frequently demanded tolerance towards newcomers to the market is the acceptance of the eclecticism regarded as typical of the Chinese approach to contemporary art. As a museum director from Austria observes: "Of course it is in part extremely eclectic, particularly for Chinese art. But of course this eclecticism also produces something

completely new. Whether we as Europeans are interested or not in this is a completely different matter.”

In the opinion of one auctioneer such eclecticism typically comes into play in the Chinese context in the interaction of two different co-existing types of collector and motives for collecting: “This market in the Far East has developed over the last 12 to 15 years. The situation is the same with the *nouveau riche* in China, in South Korea, in Indonesia; they all want to be served on their own doorstep. So the gallerists take a specific program with them when they go to Hong Kong. Of course this other tradition exists there, which is much more calligraphic in character, pays much more attention to craftsmanship. Here one of the driving forces was to destroy, and to eliminate tradition, to set oneself apart. But it's just the other way round in Asia. There imitation is quite important. This produces a different mentality, another way of looking at art. But now, since the end of the 80s in China, a completely new generation has arisen which is well informed about what is happening in the West and uses this knowledge to formulate its own interests. So there are many different layers. It is said that in China a large part of the market is still traditionally orientated and that a large part of Chinese art is bought by foreigners. But this is changing with the younger generation which is now earning money. In Korea and India similar processes are taking place. The Western orientation has perhaps gone furthest in Korea.”

A collector from Switzerland observes: “This means that the artists know the strategies developed in the West in order to create art, but combine them with their own tradition and attempt to formulate their own interests.” And he continues: “But it is absolutely clear, of course, that contemporary art went through a phase in China when it had to be set in motion. Of course it copied, of course it looked at what was being done in the West. On the other hand perhaps the third generation of Chinese artists is in the meantime working, and they are working very differently; they are people who produce really excellent works. And, of course, as is the case everywhere else, 80 per cent of Chinese art is total rubbish. Fifteen per cent is far too expensive and 5 per cent is good. But it's the same here too. But here in the West the process of selecting starts a little earlier. And that is the problem.”

A big Western collector goes on about the emerging young collectors' community in the East as follows: “Japan, Korea and Taiwan have been collecting for a long time; they have knowledge, are sophisticated. And

then there are the new countries, Indonesia, China, above all, and also Hong Kong and Singapore. They have collectors as well, but only a small number, who formerly collected traditional works and perhaps some contemporary art. But most of these collectors are not sophisticated; they have only become active very recently. The collector I regard as the biggest collector in Asia didn't even know what art is six years ago. And within six years he has spent hundreds of millions. [...] There are only a few well-known collectors in Japan who have some understanding of art. The same is true of South Korea where there are a couple who have been involved for a long time. In Taiwan there are very sophisticated collectors who go about it differently. They collect in the same way as we do, gather information, hold lots of conversations and then finally decide. Whereas the others take advice from gallerists and so on. There are also some who are resistant to advice and simply buy out of a gut feeling. The behaviour is different from here. And new money behaves differently from old money, rather flashy so the visitor sees and immediately knows that's a Warhol. But when I buy something which I like but which nobody takes any notice of, then I've defeated the purpose of it all. Status is very important in Asia, appearances are of central importance, much more so than here."

"THE ASIAN HAS NEVER LEFT HOME"

These statements are a mixture of seemingly sociological explanations of the delayed developments in collecting practices in the Far East based on the argument of the late appearance of Western cultural patterns on the Eastern scene and cultural stereotypes postulating collective characteristic features and ethno-psychological properties. These include the notion of a long period of splendid isolation in Chinese art history, which a Swiss gallerist describes in the following words: "It's always been like this. It has something to do with exchange, which has a long history here in the West, I would say. It always sounds a bit stupid when we say, 'Here in the West'. I mean the centuries old habit of going out into the world to look for something; the Chinese have never done that. The Asian has never left home. He was never anywhere else, has never colonized the other side of the world, never, never. He has never gone out. But if you never go out or get any information, then you are stuck with, I would say that I am stuck with my present knowledge. And if nothing exceptional occurs, no inspi-

ration or information comes, then I always stay, probably always, where I am.”

But over and beyond the generally admitted historical delay in development, it is possible to consider the path taken by Asia into the world of contemporary art as a kind of special route with an kind of accelerated dynamics which paradoxically modernizes the global art market, as a Swiss gallerist explains in an interview, taking India as an example: “Well I have a very good friend who owns the second or third largest auction house in India. India has never experienced an entire epoch of the art market – the so-called market for contemporary art. And this is similar to the situation when China entered the communications market 10 years ago. They didn’t have to install copper cables or telegraphs or the like. They skipped over entire developmental epochs and jumped directly into the mobile market. There is no in-between any more. You skip over entire stages. You don’t buy any old weaving looms; instead you buy modern, computer-controlled production machinery. In a new country, or on a continent in which this kind of art is new, the path taken is rather similar. The entire artist-buyer relationship and the invitations to bid and this and that and being interested all disappears. And it is increasingly the case that an investor is looking for an equity. And there is an artist who has a 100 works that are good, but has sold none or only very few. And the investor says, ‘I’ll buy’. The artist also knows, because he is also participating in this race, that when this gallery or this promoter buys up his current stock, then it will be for a very low price. So I buy a hundred pictures for 50,000 Swiss francs and sell them for two million. I have made a big profit, conducted a huge promotional campaign, promoted the artist, and when he has reached the top, sold his works. At the next encounter the artists’ starting price is much higher. So one doesn’t pay 50,000 Swiss francs for the next hundred works; they go for three million francs. That is probably the future.”

This narrative casts an interesting light on radical processes of change in the entire art field and its rules which may possibly have the emerging regions of the global art market as their starting point. Because these regions entered the world of modern art at a late stage, remained largely uninfluenced by its more than a hundred years-long history and did not have to overcome the burden of historically evolved obstacles and barriers standing in the way of the assertion of pure marketing principles and commercialization in the field of art, they were in a position to practice

the buying and selling of art unashamedly as business just like any other business. And in view of the enormous market power of these players on the field of contemporary art, the rules of the entire game are changing: business as unusual is now obviously possible and has even become the order of the day.

“THERE IS ONLY ONE SINGLE PLACE”

Beyond all possible divergencies and nuances in the ongoing or prospective development of art in these economically so very important regions all the actors of the Western art field interviewed in 2012 agreed that with the establishment of the Art Basel in this area optimal conditions will be created for its connection with the global art market.

On being asked how the establishment of the Art Basel in Hong Kong should be assessed a Swiss gallerist, for example, answered: “That’s the most important thing. They are now the Gagosian of the art fairs. There’s only one place in Asia where you can organize a fair and that is Hong Kong. It has the bureaucratic infrastructure. It has the freedom, the artistic freedom. Although it is not a democracy it is one somehow. It is under the rule of law. In all other cities you can forget that. It’s not even the case in Singapore. Singapore can react very allergically if something false is depicted or presented. People always forget that. I mean, it’s quite nice to have a fair in Abu Dhabi. But I couldn’t bring half of my pictures there. That’s a joke! And then it’s closed because the Sultan happens to be visiting the fair. I mean, anyone who wants to should take part. But it is certainly right to go into the Asian region.”

“It’s the centre”, a colleague from London adds, “it’s the focal point of the hub of art dealing in that whole region around, when one looks at Taiwan, Indonesia, Korea, and mainland China. I’d love to be in mainland China as well. And at some point we may venture into mainland China, but it’s very prohibitive to be there because of the protectionist tax regime that they have there for importation of artwork. I think Hong Kong has a wonderful trading history; so it’s a great place to do business. It’s pretty much a tax-free zone. It’s accessibility to these other regions and territories make it very attractive. Personally, also, it used to be a British colony; I lived there for a little bit, I know Hong Kong. I feel very engaged by the place, and so for personal reasons I thought it would be interesting to be there. But, obviously, the

professional reasons override that. But it's clear to me that mainland China is going to be a huge marketplace in probably five to 10 years' time."

Nobody makes the point that Hong Kong is also significant as a site of artistic production or that there are other good reasons for implanting a future metropolis of the global art world here apart from purely commercial ones, for example, the existence of the framework conditions necessary for the smooth functioning of market activities.

For a Swiss big collector only economic reasons apparently count: "First of all Hong Kong is extremely well suited logistically for this Asian-Pacific region. Secondly it is a free port. Thirdly the control over taxes, import and turnover taxes et cetera et cetera is not so strict, at least not at the moment. And that is the future market. There are after all figures showing how greatly wealth will increase there, how museums are sprouting up out of the earth. The collectors' guilds will also grow and that's why one has to go there. One simply has to!"

In various interviews the actors were concerned that the blatantly commercial orientation of an art fair which presents itself in Europe as the Grand Old Dame of the art market and claims to be a high culture event might put off some of their usual customers. When asked what she thought of the new art branches in Miami Beach and now in Hong Kong a gallerist from Central Switzerland answered: "To be honest, I don't really have an opinion about them. I move around too little and don't know enough about this market. Honestly, I don't find Miami so fantastic. But my perspective just happens to be different. Perhaps it's necessary in order to remain the leader in Basel. But to me it sounds a bit like Guggenheim or McDonald's, whom you can find everywhere. Personally I don't think it is so good."

Her colleague from Vienna is even more critical: "I'm not at all familiar with the Asian region. I seldom travel there because I have the feeling I am an imperialist and a colonist when I travel there, because I haven't a clue about these countries, so why should I travel to them? I understand nothing and then I attend some fair or other there. What's the use of that? If I went somewhere I would have to stay for weeks and decide whether the culture interests me or not, think about what it produces, what it does and how it does it. But I don't have the time because there are simply so many other fields that interest me. There are specialists in this area who can do it and I admire them and find it super, but I believe that you can't have too many irons in the fire. So I must say that I'm a little bit out of my depth with this globalization."

A Swiss big collector answered the same question as follows: "It's clear to me that I don't have to go to an Indian fair yet. I don't understand it all. I take a look and what I see are extremely colorful pictures. But I would never say, 'That is rubbish'. But I'm too far away. In order to understand things here and to cope with them takes up a good part of my time, attempts to understand and comprehend them. So how should I do that in India?"

MIND MAPS: THE NEW WORLD MAP OF ART IN THE MINDS OF WESTERN ACTORS

So much on this mixture of different statements on the shifts in the map of the art market towards the East. All of the interviewees agreed unisono that in the future there will be a considerable and long-lasting shift of the market scene in the trade with art from the current metropolises in North America and Europe towards Asia, and particularly to the emerging hubs of the Chinese art market like Hong Kong. All of the interview partners are looking expectantly, either hopefully or skeptically, at the new world map of art, which, after the expansion and shift from Europe to the USA after the Second World War, now indicates an equally profound drift towards the emerging market in the East. There is also substantial agreement on the causes of this dynamics, as interview partners from all spheres of the Western art field point again and again to the factor new money or the existence of new groups of buyers. All speak of the drawing power or pull effect of this growth potential for the Western art trade and its big players. And it is invariably pointed out that they have already won a foothold in the region or are in the starting blocks and want to, or even must, take advantage of all the marketing opportunities there, if they are not to abandon them to the actors in the Far East and particularly to the local auction houses.

At the same time there was a broad consensus on the assessment of the specific features of the booming Chinese art market, which is animated by potential customers with little experience but all the more financial power. This is accompanied by the equally widespread opinion that there is a certain vacuum in this flourishing market place for art in regard to institutions and to actors who decisively determined the history of modern art in the West. In comparison to the Western metropolises

the Eastern markets are characterized by a notable absence of galleries, curators, art critics or museums.

Here the picture emerges of a region which is only slightly developed, if not even under-developed, in regard to contemporary art, whereby one the one hand, a rapid catching up process can be observed (with frequent reference to the booming development of private museums in mainland China) but, on the other hand, a completely different dynamics of art reception and art collection arises on account of the asynchrony between an art market with a high turnover and the weakly developed structures of the field of art mediating institutions.

From the point of view of our interview partners this is expressed in a stronger market orientation of the buyers and the priority of auctions as a result of the hitherto weak development of a gallery system. However, for Western observers the asynchrony scarcely seems to present a problem, as the majority see the region as an open terrain for the actors in the art market established in the West, a terrain full of attractive marketing opportunities which cannot be taken advantage of without the corresponding pioneer spirit. In none of the statements we recorded on developments in the East was there any expression of expectations or hope in regard to meeting artists or their art there or of finding the traces of a foreign culture and aesthetics. There was no mention of curiosity or the chance to discover unknown forms of artistic expression, not even in connection with the planned Art Basel in Hong Kong, at which, according to the organizers, half of the galleries would come from countries in Asia ranging from Turkey to Australia. No mention was made of the possibility that this interface at the future hub in Hong Kong could facilitate the exchange between two cultural spheres and lead to a reciprocal import-export of art. Nor did any of the interview partners see an opportunity to revitalize the domestic market with the fresh blood of young contemporary Asian artists or to win marketing chances for them among collectors in the West. The insights gathered in the interviews on the standpoints of the Western actors of the art world confirmed the impression that a territorial occupation of faraway continents was being undertaken as in the times of classical colonization. And its primary purpose was to be the conquest of sales markets.

The scenarios projected in 2012 in regard to the Art Basel in Hong Kong are similar to the model of the current luxury goods market in which the fetishes reflecting the distinguished and approved taste of social elites

in the West are offered to the upcoming new moneyed class of this distant region as proven signs of the social branding of privileged classes.

In times of a generalizing narration about global art and the contemporaneity of the creators of art in all countries and cultures it is all the more astounding that so little interest is expressed here in the new opportunities for artistic and cultural exchange and that there is no awareness of the chances the emerging market for art in the East opens up for emerging fields of art production and the supply of symbolic goods in an East-West transfer. We conclude our survey of the perspectives of Western actors in the art world on the proclaimed expansion of the market with these impressions of a rather one-sided conception of exchange and change the perspective by presenting the views of their Eastern counterparts in order to comprehend their view of the ongoing transformation of the art world. As stated at the beginning of this chapter, the following quotations derive from interviews carried out locally in Hong Kong, Beijing and Shanghai in the context of our research project.







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