



# China Syndrome

As sales prices for the most popular contemporary Chinese artists skyrocket, collectors battle speculators for the finest works.



ONE NIGHT LAST NOVEMBER, at Christie's contemporary art auction in New York, crowds in the sales room applauded when paintings by Willem de Kooning and Andy Warhol set new records. The next morning, the auction house was abuzz with anticipation as bidders awaited works by the likes of Keith Haring and Cindy Sherman.

So few paid attention when bidding opened for Lot 343, an oil painting titled *Series 1, No. 5*. It appeared that this masterpiece by Fang Lijun, one of China's most gifted contemporary artists, was about to quietly slip past the throngs, right into the fingers of private collector Howard Farber. A New Yorker and retired real estate developer who became mesmerized by Chinese art after a trip to Hong Kong in 1996, Farber was sure the painting was

worth considerably more than the \$150,000 to \$200,000 estimate. He raised his paddle.

As the price climbed, fellow buyers craned their necks to see what the fuss was about. They asked, "Who is this guy and why is he spending so much money on this? Who is this artist?" Farber recalls. Most had no idea when the gavel fell at \$531,200 that the gray-toned painting of two bald men was a prototypical work by the leader of Cynical Realism, an important art movement in China.

*Series 1, No. 5* proved more expensive than even the Max Webers and Georgia O'Keeffe that Farber had purchased in the 1980s. But he believes it was a steal. "If the auction had been held in Hong Kong, the painting would have sold for double or triple," he says. "I consider that I bought a Jasper Johns that day."

## VALUE JUDGMENT

CONTEMPORARY ART has emerged as one of China's hottest exports. As buyers both inside the country and abroad scramble to acquire the paintings and sculptures of a society undergoing a transformation, prices are escalating at a breakneck pace. But works by some emerging artists can still be had for five figures, a fraction of the cost of comparable European or American artwork.

Like economists and politicians around the world, contemporary art collectors are developing a serious interest in China. The country's newest stars are artists like Fang, Wang Guangyi, Zhang Xiaogang and Wenda Gu, cultural interpreters who have grown powerful almost overnight as art lovers and speculators from the West—and more recently the East—rush to own a piece of the Middle Kingdom in transition. Zealous buyers smash auction records every few months, but everyone agrees that what makes Chinese art one of the most exciting areas of the contemporary market is the sense of freshness coupled with historic change. “We’re building it as we go, and the histories aren’t written yet,” says Ingrid Dudek, Chinese contemporary specialist at Christie’s.

Just 10 years ago, most art historians believed the global contemporary stage would have little room for Asian artists, according to Ethan Cohen, a New York dealer who has been obsessed with Chinese art since he organized a Yuan Yunsheng exhibit as a Harvard undergraduate in 1983. During that era, most Chinese artists struggled against poverty. Cohen recalls seeing the photographer Rong Rong in Beijing’s East Village, an artist community on the then-outskirts of the city. “When I visited the apartment, the cooking stove was next to the toilet. Whoever had five dollars would take people out to dinner,” Cohen says. “Now many of them are driving around Beijing in Land Rovers.”

Today, many curators have finally woken to the realization that these innovative Chinese artists have long been participating in the international contemporary scene, says Zhang Bing, director of the Shanghai Duolun Museum of Modern Art, the country’s first government-sponsored contemporary art museum. Large institutions are even starting to buy. The Museum of Modern Art in New York recently acquired a handful of video works by Chinese artists, while British collector Charles Saatchi recently scooped up one of Zhang Xiaogang’s dreamy *Bloodlines* portraits for \$1.5 million. This country’s art is emerging as the Chinese axiom states: Dripping water cuts through rock.

Less subtle, however, is the fact that prices on the high end have tripled in the past 18 months. Collectors gasped when one of Zhang’s works came within range of the \$1 million mark last March. But by the end of 2006, Liu Xiaodong’s *Newly Displaced Population* had fetched \$2.7 million—a new record for the field. In this large-scale panorama of the Three Gorges Dam,

children play with pistols, prostitutes tease teenage boys, and men stand pensive in front of the dam, an immense wall of concrete-colored water bearing down on the viewer.

Christie’s Hong Kong sale of Asian contemporary and Chinese 20th-century art last fall cleared \$68 million—a 60 percent increase over a similar event held last spring. Last year, Sotheby’s began holding Chinese contemporary art auctions on Manhattan’s Upper East Side, as well as in Hong Kong.

### DISCONNECTED IN DALIAN

Chinese artists have been making up for lost time since post-Mao reforms in 1979 first allowed contact with the West. As they consumed classical and modern Western theories, blending new styles with old traditions to address their nation’s paradoxes, two movements emerged in reaction to the idealism of the 1980s and Tiananmen Square.

The latest wave of art asks questions of identity, similar to the way American artists looked at feminism and civil rights in recent decades, says Kent Logan, a collector who lives in Vail. “How do individuals locate themselves in this new China that is moving so rapidly? Everybody’s chasing the dollar, and there is a lot of disconnection,” he says.

Individual experiences, not Mao’s Cultural Revolution, have been anointed the subject of choice by young artists who are numb from the nation’s painful collective memory but have no personal connection to that time. He An, a sculptor and painter in Beijing, has stirred controversy with sexually graphic work influenced by Japanese *manga* and pornography. The thread-wrapped bicycles and teapots of Lin Tianmiao, a female installation artist, draw as much inspiration from American sculptor Kiki Smith as from the history of domestic labor in China.



Opposite: Fang Lijun’s Series 1, No. 5 sold for \$531,200 at Christie’s last November. The artist is considered to be the leader of China’s Cynical Realism movement. Above: Liu Xiaodong’s *Newly Displaced Population* broke records when it sold for \$2.7 million in 2006.

Political pop satirizes socialist propaganda art with humor and nostalgia, drawing on mass cultural symbols. Wang rose to the top of this field with his Warhol-influenced oil paintings that juxtapose brand names like Coca-Cola and Prada with kitschy images of peasants. On the other hand, artists like Liu, Zhang and Fang, who belong to the school of Cynical Realism, reject politics for everyday life, expressing detachment and loss of faith in a changing society.

Until about three years ago, a small community of China enthusiasts and art mavens based in the U.S. and Europe primarily cultivated this market. Today, China's newly wealthy have entered the auction fray, but they have work to do to match the holdings of longtime collectors. Logan, for example, owns about 140 contemporary works from 40 artists, thought to be the largest assemblage in the U.S. Uli Sigg, Switzerland's former ambassador to China, is believed to have the world's biggest such collection, some 1,400 works acquired since the mid-1990s.

*Coup de foudre* is the phrase that comes to Patricia Tang when she recalls encountering Chinese contemporary art in the 1990s—a sudden passion that seemed all the more jolting because she had collected master drawings by John Constable and Degas for years. “It just felt right. I’d been buying French and English watercolors—and I’m not blond and blue-eyed,” says the American-born Tang. She later brought curator Gary Tinterow of New York’s Metropolitan Museum of Art to meet sculptor Cai Guo-Qiang, resulting in Cai’s pyrotechnic exhibit on the museum’s roof last year.

#### INFLATED HOPES

Art critics struggle for adjectives to describe the rush currently under way. As quickly as buyers have flocked to the burgeoning field in the past two years, sales prices for the most popular artists have skyrocketed. One work by Zhang that sold for \$26,000 in 2003 fetched \$1.2 million in 2006, according to New York art dealer Max Protetch. At this stage, the question whispered among observers and collectors alike is becoming louder: Is this a bubble?

“Everything is just going crazy,” says Yung Ma, a dealer at Art Statements, a gallery in Hong Kong. The Liu panorama, he contends, was overpriced at \$2.7 million. While appreciation for contemporary art is growing in China, many mainland buyers view the works as investments they will quickly flip. “They don’t care how much they pay because they hope it’ll go for even more at the next auction,” Ma says, adding that some Chinese artists prefer not to sell to domestic buyers for this reason.



*Lin Tianmiao's thread-wrapped bicycles are inspired by China's history of domestic labor.*

While many art devotees debate whether or not prices for certain artists are spinning out of control, few deny that the long-term outlook for this market remains strong. Demand in the domestic arena seems to be expanding; at least some of the country's 300,000 millionaires—many of them newly

wealthy—will bid to keep their national art within China's borders. Like many of his countrymen, Liu believes the fate of Chinese contemporary art is inextricably tied to China's rise. “The value of art,” he says, “embodies both the nation's present strength and a faith toward the future.”

Dilettantes interested in entering this market may find more relative value if they look beyond the five or six most popular artists. A work by an artist in the remainder of the top 20 group sells for an average of \$50,000 to \$80,000—easily one-fifth or less the price for art by comparable American or German masters, says Michael Goedhuis, a New York dealer who likens today's environment in China to European art in the early 20th century. In five years, he predicts, the world's most expensive art will be Chinese.

But even experienced art collectors need to exercise care to avoid being gouged. China's fledgling gallery network has yet to attract the best artists; these men and women prefer to sell their work at auction or directly to collectors through dealers—a practice almost unheard of in the West. Because of a dearth of sales records, foreign buyers are often forced to rely heavily on dealers, who are charged with screening for condition, history and, in some cases, authenticity. “You don't know whether an artist has done one hit and it's another like it,” Protetch says. “You don't know how many assistants were involved.”

As leading artists gain more international renown, collectors hoping to avoid higher prices may seek out young artists. Eloisa Haudenschild favors video and photography. She hosts emerging young artists from China and Latin America in a residency program that she founded in her garage in San Diego. To support artistic traditions in developing countries, she buys only work by artists who have not reached the auction market. “When you establish a relationship with a young artist,” Haudenschild says, “then you get the direct reward of knowing you bought a camera for them or whatever it is they need for their careers.”

But as investments, Haudenschild holds no illusions of grandeur about discovering the next Fang. “With contemporary art you'd better love the work,” she advises. “Because there's no assurance.” ■

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