

Implications of Globalization and Digitalization for Chinese Art Organization

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Abstract

This paper presents a chronology of the Chinese contemporary art world since the 1980s. I argue that the Chinese art world can adhere to its own socio-economic characteristics while harmonizing with the world economy. In understanding China, it is important to consider the all-encompassing examples of UCCA, globalization of 798, and digitalization of the Beijing Palace Museum, because the Chinese art market not only contains the current situation of China's economic transformation, but also reveals that the demand structure of the market is undergoing profound changes as its commercial forms are deepening and diversifying. The paper follows a structural line from big concepts to small details, and includes methods of historical survey, ethnography, and multiple case studies. To introduces the development of the Chinese market in the context of current art market support policies and China's national conditions. and explores the case of UCCA to investigate the reasons why foreign galleries were able to break through the "encirclement" of local Chinese galleries, and the future direction of local as well as foreign galleries. Also focuses on digitalization and its impact over the future the Chinese art market.

Keywords

Current Status and Trend; Chinese Art Market; Chinese Contemporary Art Market; Globalization; Foreign Galleries; 798; Specific National Characteristics.

1. Introduction

Through the two myths of international popularity and sky-high market prices, Chinese contemporary art has created reasons to be impressed by the government and the public. For almost 30 years after the People's Republic of China's founding in 1949, the art market was dormant. Professional art museums only began to appear in the 1980s, and art auction houses did not appear until the early 1990s. Since then, however, the Chinese art market has grown to become the second largest in the world [1]. In China, the emergence of the auction market can be traced back to the late 19th century; however, the emergence of the auction market is not part of Chinese auction system. The country's two largest auction houses, Poly Auctioneers (founded in 2005) and China Guardian (founded in 1993), are relative newcomers to the global art market but are now the third and fourth-largest auction houses after Christie's and Sotheby's, respectively. [1] Chinese art world evolves aligning with the global economy while also adhering to its socioeconomic peculiarities. It is against this background that the Chinese art auction market has gradually developed.

This paper aims to provide a comprehensive introduction to the Chinese contemporary art market and the role of Chinese contemporary art market both locally and globally. Within this context, the development of contemporary art in China can have specific national characteristics, such as demonstrated in the case analyses mentioned in this text, which may not occur in the development of the market for Chinese art in other countries. This phenomenon

is closely related, accepting art by the Chinese people, their culture and folklore, and China's policy on the art and culture industry. China's impressive political background is also inextricably linked to the development of art and culture. The following section will detail the specific Chinese communication factors and why the path to the rise of Chinese contemporary art is so particular. According to historical analysis, the Chinese painting and calligraphy market already took a basic shape in the Han dynasty (202 BC–220 AD), [2] with a demand for mercenary books and paintings, which can be considered a simple art trade. Since at least the Tang dynasty, there has been an art market, and there are also brokers who specialize in the intermediary marketing of painting and calligraphy. The term is also used to describe speculators.

2. The History of Chinese and Western Art

2.1. Western Art in China

In the financial field, a broker specializes in facilitating the capital flow and making a profit. In *Famous Paintings of the Past*, Zhang Yanguan, a theorist of the Tang Dynasty painting, argues that folk trade of painting and calligraphy flourished in the Tang Dynasty (618-907), featuring a recognized market price. [3] Thanks to social factors, a total art market in China during the Song Dynasty (960–1279) was formed. The reasons for this include the development of productive forces and commodity economy provided the demand for art and the development and evolution of art itself gathered rich cultural resources and ensured the supply of art. In addition, the An Shi Rebellion, art was not only for the imperial aristocracy, and began to enter the folklore, performing art as a profession. In the Ming (1368-1644) and Qing (1636-1644) dynasties, the art market's economic management gradually occupied a more critical. [3] The mid to late Ming dynasty onwards, with the missionaries bringing Western art, such as music, sculpture, opera, and oil painting into China, opened the Chinese people's eyes. Further, it accelerated the exchange and integration of Chinese and Western art.

2.2. First Auction Company in Shanghai

In 1874, the British Ruyismo auction company in Shanghai was the first to open its subsidiary in the Asian, [4] followed by the British Ruihe foreign firm, Rosenthal foreign firm, the French Santa foreign firm, the Japanese New Thai foreign firm, and the Danish Baohe foreign firm to carry out auction business. After the victory of the anti-Japanese war in 1945, the Republic of China government also took a large number of auctions to sell-off a large number of hostile assets to enrich the national treasury. In 1958, after the founding of the People Republic of China, the last remaining auction house of the old China was closed in Tianjin. In 1986, China's first auction house was established in Guangzhou after a 30-year hiatus with China's reform and opening-up. 1996 was the year that China's auction industry developed. In a crucial year in history, the promulgation of the Auction Law of the People's Republic of China marked the Chinese auction industry's entry into a new historical stage characterized by commercialization, institutionalization, and globalization. [5] Despite the convention of art and cultural artifacts auction existed long before the birth of People Republic of China, the Chinese auction system has only become formalized and institutionalized per the western standard since the recent decades. The modernization of Chinese auction at large mirrors the economic growth of China and the assimilation of Chinese economy into the world.

2.3. Development of China's Gallery Industry

The start of the Chinese gallery market is a relatively recent event. Its development process is mainly characterized by the overall feature of growing from scratch, from immaturity to relative maturity, and roughly four development stages. The first stage refers to the early stage of China's reform and opening before 1980s. The second stage refers to the entire 1980s. The third

stage refers to the whole of the 1990s, and the fourth stage refers to the period from 2000 to 2009. [1] From the adequate adjustment of the country's political, economic, and cultural policies, the "painting shop"-style art sales were restored; With the process of deep reform in China's economic sphere, the art market developed rapidly, especially the number of galleries and art shops targeting the public's art consumption increased, [1] and then it began to develop in the budding period of China's professional galleries. The last stage is the rapid development of China's gallery industry, with the number of professional galleries increasing dramatically and the influx of foreign galleries. The previous period was a period of the rapid development of China's gallery industry, with a sharp increase in professional galleries and an influx of foreign galleries. At the same time, it has established a good foundation for the Chinese art market in China and better promoted the influence and repercussions of Chinese contemporary art in the country.

3. Stagnation and Development of Art Market

The art market's development and prosperity mainly depend on two factors: the external aspects of social stability, economic development, and cultural capital. The other is the internal factors of the elite class, creative activity, and tolerance of ideas. With the founding of the new China, Chinese society is marching forward after half a century of rapid turmoil, the economy is recovering, and the culture is becoming more and more active. Against this backdrop, the art market at the beginning of the founding of the People's Republic of China gradually stepped out of its slump and regained its vitality.

From a global perspective, the fastest-growing art market in the past decade is China.

From 1950 to 1957, after the founding of New China, the country resumed production, the economy began to develop, and the Chinese art market's supply and demand were relatively stable. 1957 to 1982, due to particular historical reasons, the stagnation of the art market stagnated. In the 1980s of reform and opening, the Chinese art market began to rise rapidly. After this, the Chinese art market experienced three cyclical "climax" fluctuations: the first climax was from 1995 to 1997, the second climax was from 2003 to 2005, and the third climax was from 2009 to 2011. With the gradual expansion of the art market, auction houses have gradually emerged across the country, reaching more than 4,000 in 2006. From 2003 to 2013, China's art market sales increased nine-fold, with an average annual growth rate of more than 40%. The Chinese art market peaked in 2011, making it one of the world's largest art markets. Sales in Greater China fell 12% to \$10 billion in 2020, the third year of sales declines, though this decline was not as steep as other major peers. [6]

According to its different types, the Chinese art market artworks can be mainly divided into Chinese painting and calligraphy, porcelain miscellaneous, oil painting, and contemporary art. These three essential items are also known as the three major segments of the artwork.

However, the development of the three significant elements has different characteristics and faces various difficulties and challenges. Chinese painting and calligraphy class works are dominant, no matter in the market share, or a single piece of auction prices, also determines the general trend of the Chinese art market. Masterpieces are often auctioned at exorbitant prices. Miscellaneous porcelain works of art are more attractive overseas and have excellent upside potential, but there is still room for further development in the domestic market. Most of the high prices of oil paintings and contemporary artworks also set in the overseas market. Xu Beihong, Sanyu, and other famous artists in the early oil painting segment are still hot spots. In contrast, the works of new generation artists need to be further explored.

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