

Galleries must limit speculation

By Prajit Dutta



The Indian art market has come a long way in the last ten years. At Aicon Gallery we have maintained a comprehensive database of market transactions since our inception. That database allowed the construction of a price-index of the modern Indian art market (constructed in a manner akin to the value-weighted S&P index) which has risen from a base of 100 in September 2001 to 825 five years later. Since then, we have broadened the index to incorporate contemporary artists who have

seen a significant growth spurt on price-points during these past 18 months. These include Subodh Gupta, Atul Dodiya and T.V. Santosh. The future trend is likely to be stronger due to three fundamental drivers: the accelerating growth in the Indian economy, the increasing economic clout of the Indian diaspora, and—the most recent development—the awakening curiosity of the non-Indian collector base.

This is not to say that the immediate future is not likely to be rocky. The world financial markets are witnessing significant volatility on account of the mortgage crisis in the US economy. And economic downturns do affect the art market, albeit with a lag. Another source of short-term market uncertainty is the likely effect of contemporary Indian art being bought by non-Indian collectors, some of whom are quite new to the market. Understandably, some of these collectors, or their consultants, will zero in on a small group of artists which, in the short run, will propel those artists' prices to hitherto unseen levels. But this will also open up the possibility that if the "hot money" leaves or changes its focus, then these artists might see a market deterioration as quick as their earlier market acceleration. Again one hopes that the broader effect of global collecting—the scrutiny of Western curators, critics and discerning collectors—will outweigh possible volatility.

The fact remains, however, that there is some incredibly exciting work being made in India at the moment and while the cyclical prospect is daunting, the long-term trend is robust. One might wonder whether the recent explosion in the contemporary Chinese market has some parallels and lessons for the Indian art market. Clearly both art movements are benefiting from a coming together of a group of very creative young artists. They are also benefiting from the Thomas Friedman "The World is Flat" globalisation phenomenon in which "India and China" has become an entwined pair in drawing-room conversations in a way akin to the "US/Soviet Union" pairing a generation back. It appears though that there are some key differences. The Chinese art market is largely driven by foreign demand which is not the case with the Indian market. On account of the Cultural Revolution, there is not a

continuous story of Chinese art nor a modernist counterpoint to the contemporary movement. Both these differences are likely to stabilise the Indian art market.

Of course, when any market goes up quickly there is a tendency for collectors to rush into buying with their ears rather than their eyes. And that tends to upend the standard economic expectation that demand falls with rising prices in that (some) collectors seem willing to buy only when the prices are high! It is understandable that they do so if they believe prices will be higher still in the future. But there is, I believe, a role for galleries in limiting pure speculation and fostering a more sustainable growth of prices. After all, many of the young contemporary artists have decades of art practice ahead of them.

The other danger is that prices in the Indian art market rise so quickly that museums—whether they are the nascent Indian ones or those in the West—get locked out of building collections. The real danger is that some of these museums might not take a serious look at artists whom they consider purely market-driven. I remember a senior curator at a major Western museum telling me: "Who is this guy Souza? Never had a single thesis written on him and he sells for over a million!" Whether the museums will actually be able to build collections—once they decide F.N.Souza or Subodh Gupta are worth collecting—time will tell. But even with the big US museums, collections may well come from private donors and some private collections are already museum-worthy.

But what is important is that more conferences take place. At Aicon Gallery, we co-sponsored a conference on Indian and Chinese art in 2007 with Columbia University. It was a big success. We need galleries to come together, perhaps with non-profit foundations, to sponsor many more such activities.

In summary, I believe the prospect for Indian art is sound. There will be choppy seas in the short-term but as long as the underlying fundamentals, including Indian collecting, remain stable, and there is ever-increasing scholarship and writing, then there will be calmer waters ahead and strong forward currents. ■

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