

ART MARKET IN CUBA OR MARKET FOR CUBAN ART? TOPICS FOR A DEBATE

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Visual artworks made by Cuba artists have attracted the attention of foreign collectors, art dealers, and curators that have visited the island since the 1980s and to a more considerable extent since the early 1990s. Cuban art frequently appears in museum exhibitions, private galleries, and auction houses overseas. Following President Obama's shift in bilateral relations with the Cuban regime, American tourists began visiting the country regularly. Local art became an attractive product for those travelers seeking a piece of the Cuban culture.

The reforms the Cuban government implemented after the collapse of the USSR and the communist bloc also included the cultural sector, which won noticeable autonomy in terms of labor regulations and income allocation. Cuban artists can manage their careers and business decisions, relying on the interaction with the market and operating with a broad level of independence from the cultural institutions and regulators.

The Cuban Revolution eliminated the small and infant art market that had started to develop slowly in Havana since the mid-1940s, and collecting art became a taboo in the communist society. This practice was considered reminiscent of the old bourgeoisie. Thus, the art business is a relatively new practice in the post-Revolution Cuba that has grown gradually since the early 1990s. There are no consistent works in the academic literature about the art market in Cuba. The information available is limited, due to the privacy of the sales records and strategic decisions by commercial galleries.

This paper aims to explore the factors that have determined the growth of the market for Cuban art since the early 1990s and tries to identify the main obstacles that attempt against its consolidation and further development. In conducting this study, I have interviewed a group of Cuban artists, local and foreign art dealers, collectors, and art curators. The sales data comes from public records from the leading auction houses. The first part of the paper analyzes the evolution of the Cuban art market during the last three decades. The second section identifies the main factors that attempt against the development of the Cuban art market. In the final remarks, the paper addresses some ideas to open a debate about the impact of the art market in Cuba.

EVOLUTION OF THE CUBAN ART MARKET SINCE THE EARLY 1990s

The collapse of the USSR and the communist bloc forced the government in Havana to redesign its surviving strategies by implementing reforms at all levels in society, including the cultural sector. After decades of central command and economic planning, Cuba's communist regime adopted mild market-oriented measures forcing many subsidized ministries and institutions to implement a model of self-consumption and self-financing. They had to become creative to fund their activities and the enormous bureaucratic apparatus they had created. The Ministry of Culture would get its funding from the sale and exports of musical products, live performances, and visual arts goods.

The reforms included the legalization of the US dollar and foreign currencies in 1993, as well as the expansion of operative autonomy for some sectors of the economy. To cope with the severe scarcities that emerged during the so-called “Special Period,” many local owners of artworks tried liquidating their collections to earn some hard currency. This created rent opportunities as bargains were widespread, and a small group of local art dealers emerged operating in the black market. The main customers were foreign tourists that started visiting the island after the fall of Cuba’s “iron curtain”, most of them initially from Spain, Italy, Mexico, Canada, Colombia, and by the second half of the decade from the United States.

The interest on Cuban artworks by these visitors eventually exhausted the limited supply available, especially by deceased artists from the Avant-Garde period, such as Amelia Peláez, Victor Manuel, Fidelio Ponce, Carlos Henríquez, Wifredo Lam, among others. Artworks made by these artists were in high demand in the market, experiencing a boom in the Latin American auctions at Christie’s and Sotheby’s by the late 1990s. Eventually, as independent dealers within the island learned about this, bargains disappeared, and speculation opportunities became scarce.

In the early 1990s, new graduates from Cuban art schools faced a situation quite different from what existed when they had started their studies. Uncertainties within the cultural sector about the future of the institutions and the end of official support forced young Cuban artists to improvise their mechanisms of subsistence, relying on the interaction with the market.

As part of the economic reforms, artists received autonomy to sell directly to foreign buyers from their studios. They were also allowed to negotiate contracts directly with international galleries and institutions. Artists could travel overseas without significant restrictions to participate in exhibitions and open bank accounts in foreign countries to receive payments from their sales. For the first time, they could live in other countries and return freely to work and exhibit in Cuba at any time they wanted. Under these regulations, Cuban artists developed an entrepreneurship mentality, differently from their peers

from previous generations that lived under a strict creative dogma and tense relations with the government since the early 1960s.

The government allowed artists to show and sell their work directly from their studios, and this practice became the most popular way of commercialization. As the market became more dynamic and the number of visitors looking for Cuban art increased, studio visits became a common experience for foreign visitors, who used the visits to learn about the artists’ work and possibly to buy it in-situ, directly from them.

The number of local museums and government-controlled galleries in Cuba is minimal. Thus, it is difficult for the large and growing number of Cuban artists to find opportunities to exhibit and sell their works within the island. Studio visits try to address this market shortcoming. By meeting with foreign collectors, dealers, and curators, Cuban artists build both a pool of clients and a network of contacts. This network facilitates obtaining residences for artists, participation in shows, grants, and reviews by art critics. In practice, the artist becomes his/her dealer.

The sales of Cuban art in international markets have increased and consolidated gradually, with American collectors, both public and private, being the most active buyers. In Table 1, we can observe this trend. While in 2001 Cuban art amounted to sales of only \$2,776,413 US dollars in the Latin American art auctions at Christie’s and Sotheby’s, it peaked at \$10,093,000 in 2008. Over this period, the data shows the typical cyclical pattern that financial assets and commodities experience in the speculative markets. Despite the ups and downs, we can notice that in the current decade, even the years with the lowest recorded sales (2012 and 2017), the sales figures were more than double the amount of the year 2001. (Christie’s, 2019 and Sotheby’s, 2019)

It is worth mentioning that in the Cuban art market, we can differentiate between two types of commercial venues. The first includes well-established and emerging artists, who try to connect with the international art circuits and exhibit with galleries, museums, and build a professional career in this field. They may work with local galleries and show from their studios, but they focus mainly on working with

Table 1. Total Sales of Cuban Art by Christie's and Sotheby's (in dollars)

Year	Total Sales
2001	2,776,413
2002	3,243,425
2003	3,424,174
2004	4,671,929
2005	2,520,000
2006	6,590,600
2007	6,583,100
2008	10,093,000
2009	8,518,575
2010	9,964,950
2011	9,529,050
2012	6,626,875
2013	8,560,000
2014	9,964,950
2015	9,737,000
2016	8,453,000
2017	6,848,000

Source: (Christie's, 2019; Sotheby's, 2019)

foreign art dealers, curators, and selling to art collectors. The second involves artists with or without professional training who exhibit and sell their works in popular fairs and touristic enclaves. Their target market is mainly visitors who want to take home a relatively expensive Cuban art souvenir. These artists usually do not exhibit with galleries or try to develop a career in the traditional art circuits. Their professional expectations are more financial than artistic.

The institutional arrangement of the Cuban art market enhances a distribution mechanism quite different from the traditional art markets worldwide. The uniqueness of the rules of the game within the Cuban economy creates a commercialization system for Cuban art that involves different agents and operates differently both inside and outside the island.

For instance, we can identify six stages at which the market for Cuban art operates. First, artists sell directly from their studios to collectors, dealers, and institutions, mostly foreigners. Second, local clandestine or semi-clandestine¹ art dealers sell directly to foreign collectors and dealers. Third, tour guides take international visitors to a selected group of artists' studios and negotiate a commission from the artists

based on purchases from the clients they bring them. Fourth, foreign-based art dealers organize cultural trips to take visitors and collectors to Cuba and visit the local art studios. Just like local dealers, they negotiate with the artists a percentage of the sales price of work their visitors buy. Fifth, Cuban artists work with foreign galleries that exhibit and promote their work at their commercial spaces, art fairs, and museums. And last, artists who migrate and start a new career overseas without institutional connection and support from the Cuban government.

FACTORS THAT ATTEMPT AGAINST THE DEVELOPMENT OF THE CUBAN ART MARKET

The Cuban art market is at an infant stage and has developed based on a trial and error model. The Cuban cultural authorities have granted an unprecedented level of autonomy and independence to local artists within the tight and strictly controlled Cuban labor structure. Artists nowadays enjoy business and income privileges not extended to the rest of the economy. These reforms have boosted the artistic sector, with artists becoming a new economic elite within communist Cuba. Nevertheless, several factors attempt against the further development and consolidation of the art market in Cuba:

Absence of a large pool of Cuban art collectors within the island that could stimulate the local demand for artworks and help to support the stability and growth of prices.

Private galleries are not legally authorized to operate within the island. The government tolerates some of these businesses, but legal uncertainty prevents gallery owners from developing long-term growth strategies.

There is a growing number of art graduates relative to the limited number of commercial institutions within the country where local artists might be able to sell their works and the top foreign galleries representing Cuban artists.

1. In the last five years a small, but increasing number of unauthorized but tolerated art dealers have emerged in Havana, opening private exhibition spaces in their houses or rented spaces.

The employees in the official art galleries and institutions lack the proper marketing and business training, as well as the practical experience about how to run a modern art gallery efficiently and to develop an effective business plan according to the rules of the game in the global art sector.

Weak financial incentives for the salespeople working in commercial galleries discourage effort and performance by the employees.

As demand for Cuban art rose in foreign markets and works by some artists sell for high prices, a large number of forgeries have emerged. This attempts against the credibility and confidence by collectors and institutions on Cuban art.

FINAL REMARKS

The development of the Cuban art market carries implications that open the topic for debate. For instance, this market is oriented to foreign buyers, who are the ones that can afford the prices of these artworks, and not local collectors. Thus, the core of solid works by contemporary Cuban creators sold during the last 30 years is in the hands of private collections overseas. The national heritage is short of high quality works from this period.

Economic pressure has forced artists to comply with market requests by doing works that can sell quickly. This acquiescence ultimately affects the quality of the creations, the reputation of the artist, and his/her long-term commercial success. Thus, the market ends up overloaded with similar works, and in some

cases of lesser quality than the original creation, affecting economic outcomes.

Cuban artists nowadays are part of the new economic elite within the island, with privileges and financial remuneration above the standards of the majority of professionals in other fields. This status has shifted the interests of young Cubans to become artists seeking the short-term earnings associated with the exotics of the island for foreign visitors, particularly from the United States, in detriment of other careers. The economic privileges that artists enjoy have taught many of them how to swim in the turbulent political waters of the country without getting wet. They are aware of the economic reality in which the Cuban people live, and the political repression by the government, but with very few exceptions they remain silent. This inaction carries high marginal economic benefits for them within communist Cuba.

Cuban art depends strongly on foreign collectors, as nationals face severe legal and institutional limitations to accumulate wealth. Consequently, they cannot support the local art market as it happens in most of the contemporary world. The active interest of foreign collectors has contributed more to the success of some Cuban artists than the efficiency and effectiveness of the Cuban government to create a dynamic art market. I agree with Monzón and Vázquez (2001) assessment two decades ago than rather than a Cuban art market, what exists is a market for Cuban art.

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