



Expert voices

A PARADIGM SHIFT IN COLLECTING ART

A conversation with Christian Kaspar Schwarm,
founder of Independent Collectors,
by Markus Seiz, Deloitte



Christian Kaspar Schwarm
Founder of Independent Collectors

*Christian Kaspar Schwarm,
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Christian, 11 years ago you founded the first global, non-commercial, online platform for collectors of contemporary art. Despite the fact that this was only just over a decade ago, it seems that we live in a different world today. What changes have you observed among collectors?

There have indeed been major changes in terms of the general mindset and the behavior of most collectors—especially when we look at their basic willingness to make their own collections publicly visible. Nowadays it has become almost a kind of social responsibility to give the general public the chance to see artworks that had previously been kept behind closed doors. It does not really matter whether a collector meets this obligation by setting up an actual space in “real life” or by granting access online. Most of the major collectors we work with are actually doing both.

Would you call that development a paradigm shift?

Absolutely! When we started Independent Collectors in 2008, the guarantee of undisturbed privacy was

one of our most important principles. Back then, our website was actually a kind of “closed” platform that you had to apply for. This approach perfectly reflected the prevailing philosophy at the time: we provided almost 7,000 free memberships for Independent Collectors and had to deny around 10,000 other applications because we could not confirm that the person behind them was a “real” collector. This shows that the most important priority was to create a safe space, free of any commercial interests, where engaged collectors could find likeminded people, e.g., people who lived in the same city or shared their passion for a specific artist.

What happened then?

As you said, it was only a decade ago, but let us recall for a moment that Facebook only had 360 million monthly users in 2009 (today it's 2.38 billion) and they only started their chronological timeline function in late 2011. Instagram did not even exist before 2010. So, the whole social media phenomenon is one of the main change drivers, which of course, has affected the art world and collectors too.

So, is social media the only factor behind this drive for greater transparency among collectors?

As always, it is more complicated than that. I would describe the tendency to make an art collection publicly accessible (as mentioned, either offline or online) as a development based on four powerful trends. The first of these trends is the rise of a new technological, digital era that brought the ability to send and receive messages worldwide almost instantaneously literally to our fingertips. The second trend, which is connected to the first, is the general shift towards greater publicity, in both the private and the corporate spheres. Third, in terms of the art world, the function of collecting art has changed. It has definitely become a multidimensional passion, rather than one based around a singular aim. The French philosopher and sociologist Pierre Bourdieu differentiated between economic, social, and cultural capital. Whereas in the past most collectors focused on one of these three aspects at the expense of the others, modern collectors often treat them as completely interdependent.

And the fourth trend?

Since art can be a very beneficial asset to hold, we have also seen literally thousands of new foundations spring up in recent years. This includes many foundations that specialize in art collection. Again, in most cases there are several reasons why an investor might choose to set up their own organization or institution. Some collectors just want to make sure that their collection will endure and not be split up after their death. Others might be trying to reduce their tax burden. Giving the public some form of access to the collection will help in all of these cases. In my opinion, this is another important factor driving the shift towards increased public access to collections.

How has your platform reacted to these trends?

We have monitored the situation almost “live” (for want of a better expression). This gave us the chance to follow it

step by step. Year on year, we became more public too, by opening up more and more categories not only to our registered art collectors, but also to every art lover out there. Two years ago, our website was 90 percent public and there was only one single category left that was still exclusively reserved for our members. We have now been completely public since January of this year. So, if you like, our mission as a platform has completely changed within a decade—from a closed community to an open hub that acts as a contemporary archive showcasing the activities of the world’s leading private art collections. We adapted because collectors’ behavior changed, and they suddenly needed something totally different. They were asking for a different kind of opportunity to reach out to people.

An article in Forbes magazine quoted your opinion on the changing role of the collector—from market speculator to cultural interpreter. What do you mean by this?

The more collections become public, the more powerful they get. That might be seen as a positive or even as a critical development. But either way I think it comes with a huge cultural responsibility. Art is not just another asset class—in some ways, every important work of art belongs not only to a single collection but always to the whole of humanity too. If we take that seriously, collectors are indeed cultural interpreters.

In contrast to public museums, private collectors are not obliged to collect in the context of a specific social consensus, they are free to follow their own nose. But this does not excuse us collectors from the idea of preserving what is or could become relevant and therefore important in the future.

Do you have any advice for wealth managers on how to deal with this new, more modern type of art collector?

Every collector, and therefore every collection, is different. So are their motives for collecting art in the first place.

Casually speaking, there could be maybe two or three reasons to buy a luxury car. But if somebody bought an artwork for about the same price, there are actually hundreds of possible reasons why she or he did so.

I have been in meetings where inexperienced consultants have destroyed any potential trust with one single wrong question. It might sound too simple, but always ask. Ask about the personal reasons why a person collects, about their personal background and knowledge, and about their interest in a single position or artwork. The most experienced collectors teach you that art is an endless universe, full of inspiration, questions, and stumbling blocks and that you’ll only navigate your way through it with sincere openness and curiosity.

What should the wealth manager’s role be in dealing with collectors?

Once you realize that there are already a lot of other experts who offer their services to collectors—think of all the gallerists, art consultants, tax advisers, and lawyers—it is rather difficult to answer this question in a general way. I am a consultant myself and, as always in business, it is good to focus on whatever it is that you do better than anyone else. Keeping that in mind, I see two different scenarios for wealth managers: they can either define themselves as linesmen or as referees. As a line judge, they keep an eye on what is happening on the playing field and if needed, they wave their flag, and stop the match.

Alternatively, they place themselves right in the center of everything and intentionally take control of all aspects of the game. In practice, this means offering an exhaustive range of services that may or may not be related to art. That might sound attractive but let me be clear: the latter needs a lot of expertise and I have definitely come across more people in my life who have completely underestimated the complexity of the art world, than I have met reliable professionals who always knew what they were talking about.