



Studio Berlin

In cooperation with Neuer Berliner Kunstverein (n.b.k.)

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Preface

Contemporary art's new favourite city is Berlin. How did this happen? What is responsible for this? The importance of Berlin as a location for contemporary art can be documented. The development can be reconstructed. But one question remains: What now? The city of Berlin has been given a gift but it doesn't seem to know what to do with it.

With our study we would like to contribute to the discussion of the perspectives and development possibilities. It is our special concern to develop sustainable descriptions and to recommend a course of action together with the protagonists and to conceptualize a basis for discussion. In doing so, not every single aspect will be presented in detail. This study concentrates on highlighting different facets of contemporary art in Berlin simultaneously in their context. We thank our dialog partners for the valuable information and their assessments as well as for their openness and kindness. They helped us to classify our researches and thoughts about certain questions and to draw conclusions from them. We thank the Neuer Berliner Kunstverein (n.b.k.) for their active support within our co-operation. Our joint concern is to contribute something to the discourse about contemporary art in Berlin. We would also like to thank all the friends of the Institute for Strategy Development (IFSE), artists, scientists, businessmen, and politicians who helped us with their advice, connections, and their support in non-material ways. Without this network a study like this wouldn't be possible. We are looking forward to an exciting and dynamic exchange and wish you a pleasant reading!

Hergen Wöbken
Managing Director IFSE

Contemporary. Art. Market.

Whoever watches the present depends on a diversity of perspectives. The most interesting developments cannot be categorized usually. To cover the field of contemporary art in a study is a very special challenge since it changes while being described. It is part of the character of art, that a description of contemporary art cannot have an universally valid conclusion. We regard art as communication and start with art being a system of communication of modern society. This includes places, artifacts, processes and perceptions as long as they are as a way of communication elements of the system of art. Art is a paradigm of modern society: „The system of art [...] shows with itself that the future is no longer guaranteed by the past, but that it has become unpredictable.“ (Niklas Luhmann: Die Kunst der Gesellschaft, Frankfurt 1995)

Art develops itself freely and chooses the criteria by which it defines itself. This applies also to contemporary art that is created, shown and talked about today. In this study by “contemporary art” is always meant the “Fine Arts” of the present. The arts scene is global. It doesn’t know national borders. Since a number of years, contemporary art receives increasingly more attention by the global art market. And beyond that, it has become the reflection of an international style of living that connects artists with their audience, collectors, intellectuals, dazzling people and followers. Through this development Berlin has become an internationally acclaimed metropolis of contemporary art. Beside Berlin other cities like Vienna, Zurich or Brussels have profited from that. This study focusses on the contemporary art of Berlin, which connects as a playing field factual, temporal and social references of the city of Berlin with the international system of art. The production and offering of art by still living artists is located in the center.

We have examined this playing ground since the beginning of last year and have evaluated copious amounts of information. Due to the heterogeneity of the protagonists and the variety of topics not all aspects can be presented in great detail. This doesn’t mean that aspects which show up too little or not at all in the presentation are of minor importance. The interaction of the protagonists, who are directly or indirectly part of the contemporary art in Berlin, lies in

the center for us. Underneath is the assumption that the playing ground is coined by a network of contemporary art in Berlin, within which the protagonists are mutually referring to each other, in a way that each identity is influenced by other identities. The examination took place by looking at the protagonists in detail as well as through reconstructing the pattern of relations between the participants. In this connection more than 80 interviews and countless informal talks played an important role. In the selection of the interview partners great attention was paid to a well-balanced proportion of different protagonists: Artists, gallery owners, agents of exhibition spaces, Kunstvereine (member based art societies with exhibitions spaces), museums, art schools as well as curators, art dealers, collectors, critics, and journalists. We conducted a survey among 430 galleries in Berlin with thesis about locations, market conditions and business development.

We checked already known data about contemporary art in Berlin by strict criteria. We embedded the few usable facts in our research frame; many former assumptions had to be corrected. Altogether, we consider art on the one hand as a good on the art market but also as a cultural capital since both sides determine and reinforce each other. For an economic analysis of the art market we supplemented conventional theories as at the art market asymmetric information, limited rationality, and the economy of attention have a great impact. Studies, reports, articles, and books that deal with contemporary art in Berlin were also taken into account. According to us, a study about contemporary art in Berlin should fathom besides the conditions for independent artistic production also the preconditions and possibilities of contemporary art under economic restrictions, meaning under conditions of economic viability. Art as an end in itself is not questioned by this. Even if the artistic production or exhibition is not planned with an economical intention of the realization of profit, nonetheless the chance of further projects also depends on the cash flow besides the achieved attention – no matter if this cash flow comes from a private financial sector or a public financial sector.

The terms of the city for contemporary art in Berlin and some aspects of the historic development will be presented in the following paragraph. The description

of the protagonists begins with artists in Berlin, who are the source and center for most of the other protagonists of the art scene. Aspects of education and production also belong to this field. The paragraph about the art market contains the description of galleries with the results of our survey and a description of fairs and auction houses. In the chapter about institutions of contemporary art, significant Kunstvereine, exhibition spaces, public collections and other institutions with a focus or a significant connection to contemporary art will be presented. Then important areas of cultural policy and of public and private promotion will be examined. In the final chapter different conclusions will be summed up, that lead to the recommendation of creating a development plan for contemporary art in Berlin with a horizon of ten years in order to ensure reliability for the protagonists, to make a continuous exchange and a lasting perspective of development possible.

Metropolis Berlin

The current success of contemporary art in Berlin has many different reasons that are often connected with each other. The existence of well-established institutions wasn't the only crucial reason for Berlin to develop into a metropolis of fine arts. The history and culture, different communities and the living conditions in Berlin played also a crucial role in the development of contemporary art. The city of Berlin lives from its inextricably and vivid diversity, the heterogeneity of its inhabitants and their working and living activities. Berlin is a highly demanded metropolis and yet, compared to other metropolises, quiet and sometimes even placid. Furthermore, the aspect of being the capital attracts more attention. International operating corporations know that their commitment by being a sponsor will become known far beyond Berlin's borders: "Berlin has a flagship position. Whatever you are doing here always gains nationwide, if not worldwide attention. Berlin has internationally a surprisingly high importance." (Thomas Girst, Spokesman Culture Communication BMW Group)

Urban Space

The contemporary art of Berlin takes place in open urban spaces. Studios in empty houses, off-rooms in courtyards or temporary projects of the independent art scene build the cultural backbone of internationally

successful artists, galleries and collectors who give Berlin its glamour and glory. Artists come and go. The community is permanently changing, one central point doesn't exist. The diversity and variability makes the art scene of Berlin different from other art metropolises. Another distinguishing mark of Berlin is that there are still low priced spaces and scopes for design. The structure of the city is polycentric: Every district of the city is city itself with more than 100,000 inhabitants and different social structures and living conditions. The polycentric structure of Berlin is also reflected by the art scene. Hence, there are several urban centers where especially many galleries, art spaces and artists are situated. But the rents, especially in much preferred areas like Mitte, Prenzlauer Berg and Charlottenburg, are growing constantly. Young artists are moving to other parts of the city like Wedding or Neukölln. Still, there exists plenty of affordable space, so that the consequences of gentrification, like the raise of rents, couldn't squeeze artists out of the city.

The once separated city with its changing history connects East and West in today's Europe. The 20th century and a number of political systems have influenced the image of the city and Berlin's character. One can easily see that the city has lived to see a lot. The presence of history asks for a confrontation with it. The still existing open, unfinished space offers chances for creation and sets the frame for an artistic production which also takes place where inharmony and conflict can be sensed: within the social focus of current areas of conflict like migration and unemployment. With the change of the political systems, a great population exchange has taken place. The urban administration of Berlin has distinguished itself by showing tolerance against subcultures. One important reason for the attraction Berlin exercises is its openness in regard to subcultures.

100 years and six political systems

The identity of the art scene in current Berlin is also built on the myths and histories of the past 100 years, with flourishing periods and decisive events. Under the reign of Emperor William II. a golden age of techs and sciences begins at the end of the 19th century. Berlin rises to a significant industrial city and a global metropolis. Because of William's lack of openness towards new artistic styles a distinct art scene didn't

develop. Still, the work and influence of the group of artists of the Berliner Secession of Max Liebermann is not suppressed, even though it has some opponents among the conservative circles of the emperor. As the capital of the Weimar Republic, free from censorship and Wilhelminism, cultural life flourishes. Berlin becomes Europe's biggest industrial metropolis with four million inhabitants and a city of culture and amusements with an international reputation. The bloom of arts and culture with Dadaism and New Objectivity will be called later the "Golden Twenties". But the cultural life of the Weimar Republic is not only limited to Berlin. It is distributed among other cities like Vienna or Munich. Besides fine arts, music and literature also theater and cinema as well as an intellectual bohemian community begins to bloom. The world economic crisis and the spread of National Socialism end this peak. With the national socialists coming into power, the exodus of art begins in Germany. A majority of intellectuals and of the cultural elite emigrates from Germany. The majority of emigrated intellectuals and artists will never return. With the expulsion and murder of Jewish citizens of Berlin the basis of the city's educated middle-class was destroyed. This gap has not been closed until this day.

After the end of the Second World War, Berlin was a divided city: in both parts of the city two independent art scenes developed under different social and political conditions. In West-Berlin artists met in Kreuzberg. The fluxus movement and the group of artists called „Neue Wilde“, (new wild) are closely connected with the Berlin of the 80s. "In the 80s we had a lab situation in West-Berlin. Nobody knew what would come next. There were experiments with new social arrangements and artistic means." (Stéphane Bauer, head of Kunstraum Kreuzberg/Bethanien). Even though there were several art galleries in Charlottenburg and around the Moritzplatz at this point, the art market didn't play an important role. In East-Berlin existed next to governmental art trade several exhibition spaces for art, which had to conform to the ideology of the political system. Beyond the governmental art system some individuals dared to show art at private spaces, which stood in contrast to the system. The "Wohnmaschine" by Friedrich Loh and "Eigen+Art" by Judy Lybke turned into commercial galleries after the wall came down. Also during this time precursory exhibitions in an old

margarine factory in Auguststraße 69, that is well known today as the institution Kunst-Werke (KW). A meeting point of the community in Auguststraße was the gallery called "Weißer Elefant" (white elephant), which was founded on the initiative of the working group of young artists at the GDR-artists union in 1987. "Somehow everything was possible, everything was free: right in the middle of East-Berlin! Straightforward interventions did not seldomly occur. And so the showdown soon happened, only different from what we had expected." (Ralf Bartholomäus, Gallery Weißer Elefant). The gallery was just as little as the projects of Look and Lybke an official or commercial gallery; instead it marked a space for temporary exhibition projects, performances and discussions. The space was watched by the secret police but it was tolerated.

The „New Berlin“

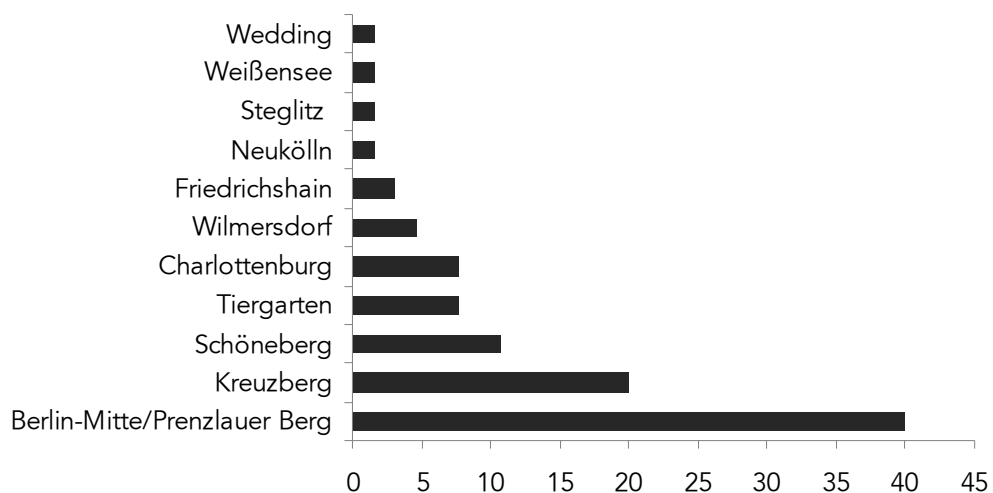
The end of the GDR-regime and the now open entry to the eastern part of the city showed the whole dimension of the urbanistic stagnation. Empty, wasted buildings in need of rehabilitation and empty spaces, that lead to the situation of a city being able to define its center new once again. In this case the emphasis in "Mitte" was put on art. This is also by credit of the Building Society Mitte (WBM), which administered the majority of living spaces there, and one dedicated employee: since 1990 Jutta Weitz had been in charge of the renting of commercial space. She was committed to diversity and supported many claims for rent by the art scene. Well known are the events about the margarine-factory in Auguststraße. Once a fitness center wanted to rent it and Jutta Weitz together with the Culture Office went looking for a group around Klaus Biesenbach as tenants. This resulted into the Kunst-Werke (KW).

"At first there wasn't any money for contemporary art and its institutions. So it was even more important to keep inviting international artists to Berlin. And they were always interested in the situation of Berlin and at that time many exciting works were created with a reference to Berlin. But most of the guest of the programm only began staying since about the year 2000." (Ariane Beyn, Head of Visual Arts, Artists-in-Berlin Programme DAAD) Project spaces and galleries tried to gain a foothold. But collectors still weren't in sight. There was a crossover with the music scene,

especially with electronic music. Berlin had enough free space and during the following years the scene culture grew quickly. The exhibition “37 Rooms” took place in the uninhabited buildings in Auguststraße, it was conceptualized in 1992 by Klaus Biesenbach. At the beginning, many artists are drawn to Berlin, and also gallery owners come along, pretty soon also professional and well-established ones are among them. The side by side of people from many different nations and the cultural diversity is attractive. The word spreads quickly that there are numerous possibilities in Berlin, spaces to take possession of and to design on your own. Berlin-Mitte becomes the most important location for galleries. This is followed by districts of the former western part of the city.

With the founding of the art forum berlin in 1995, Berlin receives its own art fair and the international art market casts its attention more and more towards Berlin. In fall 1998 the first Berlin Biennale for Contemporary Art takes place, curated by Klaus Biesenbach, Hans Ulrich Obrist and Nancy Spector. At the beginning of 2000, things are set in motion again. Galleries from America and Switzerland are opening branches or moving altogether to Berlin and, by doing so, they import the networks of their former field.

Locations of galleries in Berlin



Source: Survey among Berlin’s galleries, IFSE 2010

However, the galleries that were established in Berlin during the 90s have partly worked themselves towards an international stage. The competition for attention is steadily increasing. In 2007 the Gallery Weekend is established with 29 galleries partaking. Gallery owners have a great stake in the rise of Berlin towards an art metropolis. They fulfill to some extent "the part of an art museum" (Matthias Arndt, ARNDT Gallery Berlin) with their diverse and high-quality exhibitions of internationally renowned artists. Claims are made that the growing international art scene in Berlin should also be reflected institutionally. The pioneer spirit has faded a little away and the question for Berlin is now how to deal with this established and at the same time non-permanent situation in a self-conscious way. Berlin's wealth is the already described corporate initiatives of art, economy and politics. They have made Berlin's current position as a hub within the global art circus, the "miracle of Berlin", possible.

A Place for Artists (of Life)

The key to contemporary art in Berlin are the artists living there. They are making this city one of the world's most important production sites of contemporary art. To no other city more artists have been moving to from all around the world. Internationally renowned artists would like to show their art in Berlin. At international fairs artists from Berlin are very present, at the last Biennale art fair in Venice noticeably many artists were residents of Berlin. Besides those artists who have made their way to Berlin on their own, scholarship programs are bringing plenty of young artists from all around the world to the city.

During the past years, young but also renowned, globally acting artists have moved to Berlin. Prominent examples are Monica Bonvicini, Cyprien Gaillard, Olafur Eliasson, Karin Sander, Thomas Demand, Jonathan Monk, Tacita Dean, Wolfgang Tillmans, Katharina Grosse, Rirkrit Tiravanija, Martin Eder, Candice Breitz, Phil Collins, Tino Seghal or Andreas Hofer. This list could be continued and its choice is pretty random. For many renowned artists Berlin is a place to live besides other places and for young artists the low maintenance costs are attractive. Among artists the model has been well-proven to live in Berlin, to use its favorable conditions and the closeness to other artists and yet to derive parts of their income

from sales and orders of other cities. Berlin has been and still is an immigration city: "More and more artists are moving to this city." (Christiane Zieseke, Senate Chancellery, Department of Cultural Affairs/Scholarships and Project Funding) Data about artists living in Berlin differ widely. A restriction is difficult since membership to the profession "artist" occurs through different definitions that are influenced by professional training or by someone's self-image. The Künstlersozialkasse, an insurance agency especially for free-lance artists, has 9,400 clients in Berlin in the field of Fine Arts. However, applied arts as for instance designers and artisans are also included. The Berufsverband Bildender Künstler, the trade association of visual artists, assumes that there are about 5,000 artists in Berlin. In the cultural-economic report for Berlin by the Senate of Berlin, 629 companies and 1,654 professionals are listed in the segment "Self-employed Visual Artists" of the year 2006. Sources are the Statistical Office Berlin-Brandenburg as well as the Federal Employment Agency in Nuremberg. One can assume that parts of the listed artists are doing other jobs besides their creative work. The number of artists in Berlin who have art as their profession and a sufficient income from selling their artwork or from receiving a scholarship is, according to our estimation, in any case below 1,000. The percentage of international artists who are only staying temporarily in Berlin is according to our estimation around 25 percent. The group of artists presents itself very heterogeneously. When people talk about "the artists" or when an artist understands himself as a universal representative, a non-existent homogeneity is implied.

It belongs to the principles of the art market that only a few can make it to the top. Following the principle "the winner takes it all", exhibitions and sellings of successful artists entail more exhibitions and sales. Most visual artists cannot live from the production and the sale of their artworks and need other sources of income. Only a small percentage of artists succeed in tying attention and capital to them. In Berlin about 5,000 artists are represented by Berlin galleries, around 2,500 of them live, according to the galleries, in Berlin. The representation by a gallery doesn't guarantee financial security at all. Among the galleries there are only a few who make enough money to guarantee their artists a sufficient income. This

insecurity leads to an extremely mental pressure for some artists who don't have a scholarship, art prize or the support of their family or patron. Some of them have to go on social welfare.

The alternative lies in a second profession in order to make a living. Ideally in a field close to arts, like cultural education, arts education or providing service at museums, galleries and exhibition spaces. The designing of products in the field of visual arts can be another part time profession. Permanent positions can be offered by big galleries or studios of renowned artists. "Everybody who is staying with the arts develops his own strategies." (Stefan Saffer, artist) A teaching job at an arts school offers safe income and retirement benefits for well-established artists. Altogether the percentage of artists in permanent positions is very low. Maintenance costs in Berlin are an advantage of location for artists: "In Berlin everything is financially feasible. As a female artist you can try out many things without having to be successful. While artists in New York need to have three jobs in order to make a living, here you only need one" says a female artist who has just received her degree at the University of the Arts. On the other hand, it is more difficult to get a well-paid part-time job in Berlin because of the weak financial situation.

Educational Institutions

In Berlin there are two schools of art where visual artists are educated: the University of the Arts and the Berlin Weissensee School of Art. Additionally, there are other schools as private enterprises and of the state, whose educational programs are directed towards Applied Arts. Study courses in the field of Applied Arts are also offered at the University of the Arts and at the Berlin Weissensee School of Art, next to study courses in Fine Arts. At the two art schools of Berlin, the University of the Arts and the Berlin Weissensee School of Art, presently 760 students are enrolled in the field of Fine Arts. Around a quarter are international students. The smaller School of Art, being a "School of Art and Design", has a focus on the applied fields. In the field of liberal arts Painting, Sculpture and Stage/Costume Design are offered, each with three professors. Students appreciate the careful mentoring and working atmosphere at Weissensee. At present the school experiences a

process of re-orientation due to an alternation of generations and an upcoming spatial change.

The University of the Arts joins four self-governed institutes. The school is the largest art school in Europe with about 3.500 students. The department of Fine Arts has nearly 600 students. The number of applicants exceeds the number of available places by far. International exchange students are very interested in the school as well. As at other art schools in Germany there is also an alternation of generations taking place. At the department of Fine Arts at the University of the Arts this was used for a re-orientation. The new start is not defined by a program, rather by the filling of teaching positions. All artistic media should be offered equally through specialist subject classes and professors. One point of critique concerning the University of the Arts is that classical fields prevail. An example of progressive teaching and for a reference of theoretical work towards the context of the art scene in Berlin is Katharina Sieverding. She has established a discursive form of teaching under the title 'Visual Culture Studies' at the University of the Arts and formed an active exchange with art critics, and institutions like the Kunst-Werke (KW). With her appointment in 1992 a professional laboratory for the department of photography was build. Other internationally renowned artists have abandoned the University of the Arts after a short time. Stan Douglas and Daniel Richter mentioned as a reason problems with the administrative machinery of the University as a reason. A new member is Thomas Zipp, since 2008 he is a professor of Painting and Vice Dean of the department. Since April 1st 2009, Olafur Eliasson has a chair in the department of Sculpture and also invented the Institute for Spatial Experiments (Institut für räumliche Experimente).

The curriculum is broad. The faculty views itself as being on its way of becoming one of the internationally most renowned academies of art again: "Exceptional characters of art are doing great teaching." (Prof. Dr. Ana Dimke, Dean of the Faculty of Fine Arts at the University of the Arts Berlin) The preparation of the students for their professional future after school is, according to the head of the faculty, a job of the class teachers. They are responsible for introducing the students to the networks of the art business. Current discussions are supposed to be

introduced by the teaching staff to the University and should be initiated by the students: "We are part of the art scene." (Prof. Dr. Ana Dimke) The part of the University of the Arts in international discourse is still expandable. The teaching language is German with a few exceptions. Many students would be glad about a more institutional reference towards the art scene of Berlin and they would like to have more support for their initiatives in order to step out of their University-"shelter" and interact with critics, art dealers, curators or gallery owners. The University of the Arts cooperates with various institutions for exhibiting the works of the classes. Art schools are an attracting element and a collecting basin for young artists. Considering this, a future development of the two art schools that is keeping with the times, and an even stronger reference to protagonists of contemporary art are desirable.

Production and Direct marketing

Artists find a good infrastructure for artistic production in Berlin. With the sculpture workshop in Wedding and the typography studio in Bethanien Berlin has two exceptional locations of art production. Both institutions are supported by the Professional Association of Berlin Artists (BBK). The studio program of the Senate Department of Culture, which is managed by the BBK, offers professional artists studios at reduced rents. In this way, 700 studios are offered. Studio-houses that are supported by artist communities or non-profit associations, are for example the art factory on Flutgraben or the studio-houses Mengerzeile and Meinblau e.V. There are now also a number of projects by investors, who rent out spaces specifically to artists and creative people, like the Uferhallen in Wedding and the Aqua Carre in Kreuzberg. In the area of training the Career and Transfer Service Center at the University of the Arts provides for all graduates of artistic universities in Berlin programs on topics such as law, financing, livelihoods, project-management of exhibitions, how to search for sponsors, marketing or presentation. Through this institution skills for the art market will be trained as an addition to professional skills. The Career and Transfer Service Center is the first to Career Center at an arts school in Germany.

Especially young artists and graduates face the difficulty of gaining an access to the art market and in

obtaining visible on the art business. Even the high density of galleries in Berlin cannot absorb this inflow of interest. Therefore, artists are often actively looking for themselves to sell. A model is the gallery of producers ("Produzentengalerie"). Artists create an exhibition platform by renting rooms together and organizing sales shows with their works. Oftentimes a gallery-manager for administration and public relations is hired. A limited period of two to four years is part of the concept. Ideally by that date all producers have found another gallery. Ten percent of the galleries in Berlin are production galleries; that means around 40 galleries in Berlin work in this model. For the success of the model in Berlin stand the respective careers of the production galleries Liga, Diskus, Amerika and Rekord, whose heads have now established themselves as classic gallery owners.

"The City named Desire"

Informal networks are crucial for the careers of artists. They arise through personal contacts between artists and art dealers. A solid crossroads within the international network are the residency-programs in Berlin, which have access to fixed locations and an old tradition, like the Berlin Artists-in-Residence programme of the German Academic Exchange Service (DAAD) and the Künstlerhaus Bethanien. The long term sustainability of the programs is of particular importance to Berlin. The Artists-in-Berlin-Programme of the DAAD has become a fixed institution in Berlin since its incorporation 1963 through the Ford Foundation. Since then, many now famous artists have been invited to Berlin by the scholarship program (2006 Damián Ortega, 2000 Tacita Dean, 1999 Gordon Douglas, 1993 Damien Hirst, 1991 Nan Goldin). The target group are artists who are just on the threshold of international success. At the 'daadgalerie' current and former fellows of the Artists-in-Berlin-Programme of the DAAD are offered the opportunity of an exhibition in Berlin in order to get the international guests within the local art scene involved. The Künstlerhaus Bethanien was founded in 1975. In June 2010 the studios and the accompanying showrooms will move to a new studio and exhibition center on Kottbusser Straße. Since Christoph Tannert became manager in 2000, the focus of the house is Visual Arts. Countries like Canada, Australia, the Netherlands and eastern European countries finance visiting fellowships for their artists at the Künstlerhaus Bethanien. Also in

other studio houses states have rented rooms to the temporary use for their artists in Berlin, as for example Scandinavian countries in cooperation with Sparwasser HQ, the Netherlands in the art factory at Flutgraben. The Kunstwerke (KW) offers six studios to the temporary use for international artists and the Neuer Berliner Kunstverein (n.b.k.) offers apartments for temporary use to artists.

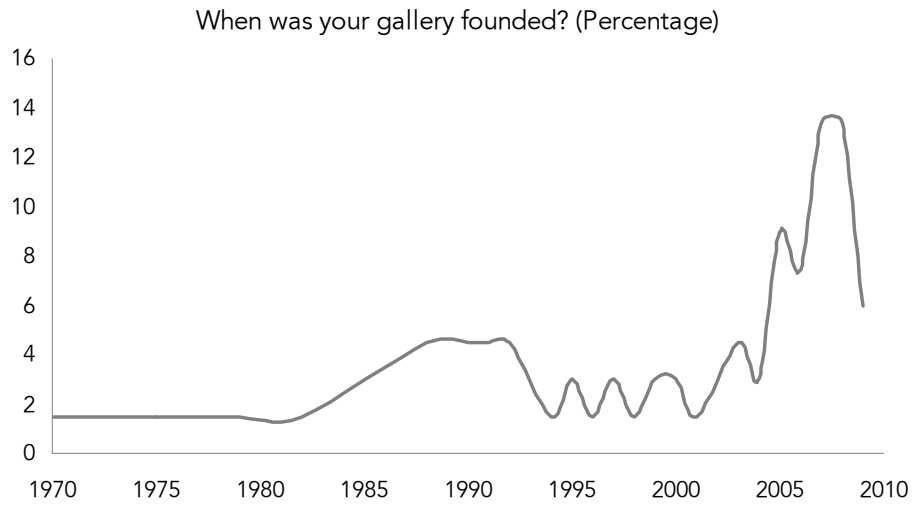
The Art Market in Berlin

The following paragraph deals with the galleries, fairs and auction houses in Berlin. For the art market and for the art scene galleries are the pivotal points of Berlin's contemporary art being varied and decentralised exhibition spaces. Different galleries were examined individually, by carrying out a survey among 430 Berlin galleries with questions concerning the location, market terms and business development. The return rate was at more than 20 percent. Through a classification of the galleries concerning their internationality according to their fair participation and represented artists as well as their location in Berlin, a steady distribution of the survey participants along the range of Berlin galleries was established. The random was checked and representatively assessed. If nothing else is given as a reference, the following data are results from our survey.

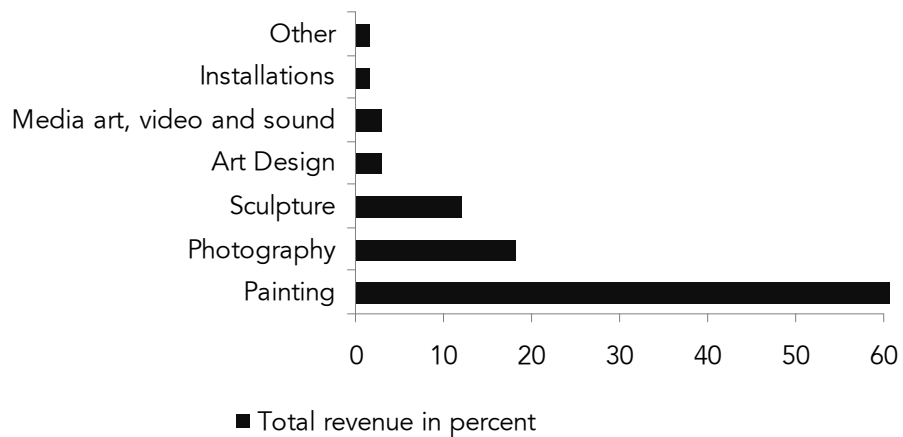
Galleries

With over 400 professional galleries Berlin belongs together with Paris and London to Europe's top. Despite some – partly resulting from the crisis – closures and relocations in the last two years, the number of galleries has been growing. Half of the galleries have been established within the last five years. More and more international galleries are moving to the capital and the global network is growing. Since 2004, there was a boom of start ups in Berlin, it was interrupted by the crisis in 2009.

The predicted mass closures have not happened yet. In 2009, the sales of all Berlin galleries added up to about €100 million, although sales have fallen due to the crisis by an average of 40 percent. For 45 percent of Berlin galleries the year 2009 was no exceptionally bad year, 55 percent of the galleries assess the year 2009 as exceptionally weak, with an average loss of about 40 to 100 percent.

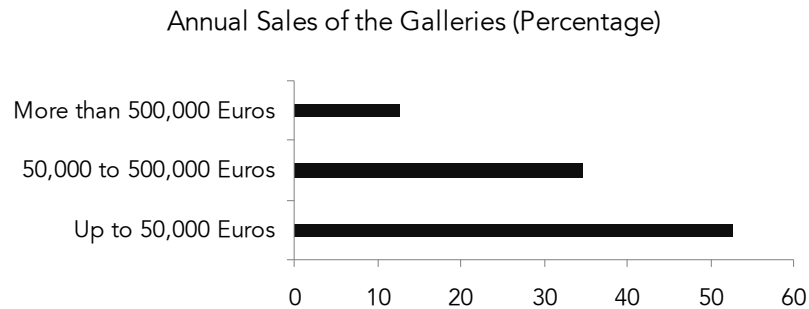


Major galleries are less affected, the amount of lost revenue is lower for them. About 80 percent of all galleries make their highest sales on the primary market. Paintings are still ranking first:



The galleries make their sales to 55 percent to customers with whom they have a business relationship for more than five years. The top-selling regions are located in Europe, mainly in Germany. For 20 percent of the galleries Berlin is the strongest sales region, this applies in particular to galleries with low sales. This means that asking about the gallery's location does not have to say anything about its sales. The top-selling galleries give their priority to markets

in Europe, Germany and the USA. The galleries are divided into three categories of transactions.



Half of the galleries have a revenue of less than 50,000 Euros, one third has a revenue of less than 17,500 Euros. Altogether, 50 percent, that's more than 200 galleries, have a revenue of less than five million Euros. The approximately 150 galleries, with a revenue of up to 500,000 Euros have combined revenues of approximately 30 million Euros. The more than 60 galleries, with a revenue of over half a million euros have a revenue of more than 60 million euros. Estimately a top group of 20 galleries, that's a share of five percent of Berlin galleries, is responsible for half of the sales. Despite the lack of transparency and volatility in the art market, and the economic crisis and a high fluctuation, a structure of galleries in Berlin is recognizable.

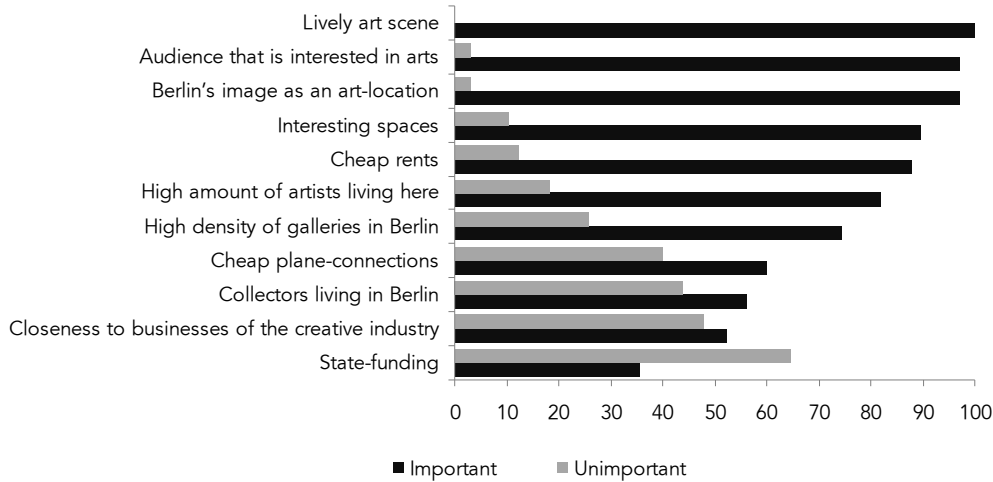
About half of the galleries live from personal commitment and sometimes also of the investments of its protagonists. They are personally motivated to create an exhibition space for artists and a meeting place for art lovers with their project spaces and production galleries. The majority of galleries focus on young art. There are sales that make a contribution to cover costs, but no profit, that can secure their viability. On the other hand, there are up to 100 galleries in Berlin, which are established as galleries and economically autonomous. Some of these galleries are from the old West Berlin, while others settled in the 90s around Auguststraße. These pioneers in the eastern part of the city have become the main protagonists and have enhanced their district highly. Together with galleries, that have moved to Berlin from the Rhineland or from European countries,

they attract the attention of international collectors. There is a midfield between non-profit oriented gallery projects and the top gallery galleries, in which established galleries acquit themselves. They have found their niche, for other galleries this is an intermediate step from being a newcomer to an established address.

On average, a gallery has two and a half employees, all galleries together create a little more than 1,000 jobs. Around 60 galleries can compete on the international art market, and are represented at the prestigious fairs. About 20 percent have participated in one of the fairs in Basel, Miami or New York during the last three years, and a few less in Paris and London. On average, Berlin galleries attend one trade fair per year. 25 percent of the galleries take part in three to six fairs. Almost half of the galleries have not taken part in a fair.

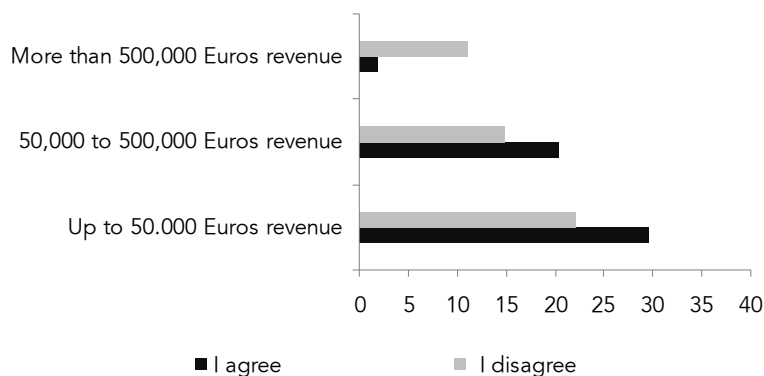
Gallery owners are both tradesman and curators. This is illustrated in Berlin by the exhibition-activities of the galleries. In the leading galleries of Berlin museum-quality presentations of internationally renowned artists are shown, which attract except from collectors a wide audience that is interested in arts. With this the galleries "play the part of an art museum" as the gallery owner Matthias Arndt describes it. Each gallery represents an average of 12 artists, whose recent works are presented in the rooms of the gallery to the customers and the public. The Berlin galleries present more than 3,000 shows a year with more than 5,000 artists in an exhibition area of over 45,000 sqm. Together, the galleries in Berlin have more than a million visitors per year. In Berlin, gallery owners have set up the art fair and satellite fairs by their own initiative. When asked about location aspects general aspects are leading: a lively art scene, an art interested audience and the image of Berlin as an art-location. Government funding is a goal for only about one-third of the entrepreneurial operating gallery owners.

How important are the following location aspects to your gallery in Berlin?



Many gallery owners miss the demonstration of respect from politicians for establishing work in Berlin and appreciation in the form of interest and presence at major events. It is perceived positively, that with the new director of the National Gallery, Udo Kittelmann, a representative of a state-run institution shows an active interest in the developments of galleries in Berlin. When asked which institutions currently dominate the field of contemporary art in Berlin, Hamburger Bahnhof, the Neue Nationalgalerie (New National Gallery) and the Kunst-Werke (KW) will be mentioned first. Only for half the galleries Berlin is the only possible location. Especially top-selling galleries don't feel bound. As an alternative New York, London, Paris, Cologne, Hamburg, Munich and Brussels are stated.

In my opinion Berlin is the only possible location for my gallery.



The density of galleries is welcomed by gallery owners. On the other hand, the competition for attention and information keeps growing: "The art market is about visibility. Who draws more attention is successful." (Kristian Jarmuschek, gallery owner) Therefore, not only the detection and the careful coachwork of a new talent, the development and maintenance of regular customers are of crucial importance for the success of a gallery. The gallery owner must also try to achieve presence in the media, at public events and with prestigious institutions. Eventhough gallery owners describe themselves as lone fighters; some of them use the synergy effects due to the closeness to other galleries. The movement for a 'New Berlin' started in Berlin-Mitte. Even today it is one of the districts with the highest dense of galleries. However, the population has changed to a large extent. An example of the second generation in Mitte is the gallery owner Alexandra Saheb. The Gallery Esther Schipper, and temporarily, the Kunstwerke (KW) have already been in her space before. Galleries are crowded around the Checkpoint Charlie. But when a quarter has just been established, the first pull away again. Max Hetzler is now in Wedding and, after a stopover at the Halle am Wasser behind the Hamburger Bahnhof, Mathias Arndt has opened a new space at Potsdamer Strasse. While large galleries point out their reputation by moving to new and usually larger or more individual spaces, smaller galleries gather in neighborhoods where space is conveniently available. Hence, new galleries and project spaces are opening in Brunnenstraße in the direction towards Wedding, while at the lower end of the street the fashion- and design shops are taking over the premises. However, an opposite dynamics can also be observed: several galleries avoid intentionally clusters and settle in at less occupied places such as Peres Projects in the north of Kreuzberg or Guido W. Baudach with Max Hetzler in Wedding. These galleries can quickly become magnets for new settlements and resettlements of other galleries. In the spring of 2009 the Gallery Giti Nourbakhsh was still one of the few galleries in the neighborhood next to the Gleisdreieck, the area is now fully established as a gallery location.

Various brochures and flyers provide information about current exhibitions and upcoming openings. The most important one is "[index](#)" which has been founded in 2001. The brochure is displayed in galleries and is

regarded as a "dominant medium of the Berlin art scene" (Kito Nedo, art – Das Kunstmagazin) and is published quarterly. In the early years, the selection for the "index" was done in a democratic decision-making process by the galleries. Meanwhile, the number of galleries is so big that it is selected strictly, who will be among the 60 chosen ones. The responsibility for this lies in the hands of a selection committee appointed for two years, it currently consists of Alexander Schröder (Gallerie Neu), Giti Nourbakhsh and Joanna Kamm. To the outside the decision process is not transparent and it leads to resentment among the unconsidered gallery owners.

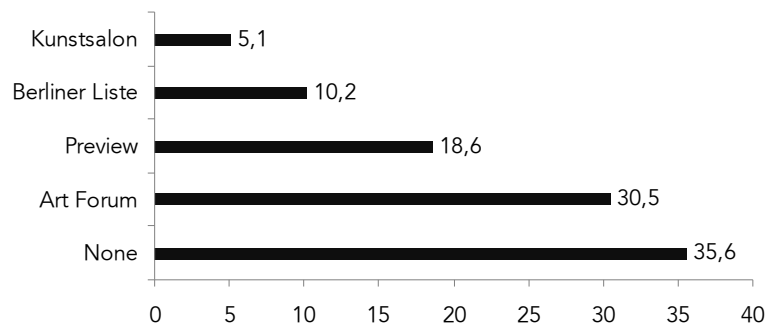
Once a year the event Gallery Weekend is a public magnet, which receives attention. At one weekend 40 famous galleries show what they have to offer and attract with a special program international collectors and customers. Responsible gallery owners in Berlin for the organization are Ester Schipper, Max Hetzler, and Tim Neuger. Also all other galleries in Berlin that arrange their openings and opening times for the Weekend Gallery benefit from the stream of visitors. The art market is global, therefore the Berlin galleries benefit from customers and collectors from more economically advanced regions. For collectors, the favorite customers of galleries, Berlin is an attractive tourist destination. Many are generally interested in culture and in addition to visiting the galleries they also benefit from the opera, theater and concert offerings of the city. For this target group it is also interesting that the city has to offer an impressive number of restaurants and hotels of superior quality. The younger generation of collectors appreciates the famous Berlin nightlife. "Berlin can't be beat in terms of visitor numbers", says the gallery owner Andreas Osarek. Not all customers of the galleries are collectors, but with the interest in contemporary art the number of people who want to buy a work of art grows. These persons are in possession of many different works of art and do not see themselves as "collectors". Nevertheless, they create a constant demand as a group and are present in galleries and exhibitions.

Fairs

Fairs have become an important part of the gallery work. Here, it is possible for the gallery to introduce its program to an international audience. Besides the sale

of artworks, the fair helps galleries to create networks. Fairs are often the entry to the international market, but for many galleries they also provide a high financial risk. Even if a large part of the annual revenue is made at fairs, they require high investment for the exhibition stand, transportation and logistics. In Berlin an own art fair was founded in 1995 by a group of gallery owners. Art Forum Berlin has established itself as the most important Berlin-based art fair on the international art market. "Berlin had the great advantage of being a key production site. There the art fair could tie in with young gallery owners and young art." (Sabrina van der Ley, director of the Galerie der Gegenwart at the Hamburger Kunsthalle, Hamburg, former artistic director of Art Forum) In addition to the Art Forum there are now three satellite fairs: the Berliner Liste, Preview Berlin and the Berliner Kunstsalon. Galleries from Berlin are represented at all fairs, especially at the Art Forum.

In which fair in Berlin has your gallery taken part during the last three years? (Percentage)



The date for the fairs that are happening parallel is at the start of the international trade fair season in the fall. In 2009 40,000 visitors came to the Art Forum. The visitor numbers are behind those of the Art Basel, FIAC in Paris and Arco in Madrid. In contrast to Basel and Cologne, the focus is intentionally on young art. For some large galleries the participation in the Art Forum is a question of honor, but for galleries in Berlin it is generally more important to take part in international fairs than the fair at their own doorstep. The exhibition in Berlin is about the representation of the location as an important art market place. The reputation of the participating galleries is transferred to the site. From this perspective it is important to

attract even more international, renowned galleries. They hesitate because they suspect that the audience in Berlin are not the best funded customers as for instance in London or New York.

The satellite fairs were born from the initiative of a group of young gallery owners who found no room at the Art Forum. First, there was one alternative fair, later, the group split again and established satellite fairs at two different places. In 2009 about 13,000 visitors came to Preview, 12,000 went to Berliner Liste. The Kunstsalon as a fourth fair again differs greatly from Berliner Liste and Preview. Not only gallery exhibit at the Kunstsalon. Even artists, university classes, and individual artists get the possibility to present their work. The fairs also ensure an increased attention to gallery owner who do not have stands. Many use this period to open special exhibitions. At the same time with the fairs a curated group show abc - art berlin contemporary will be held. In the last two years a group of gallery owners was presented here which did not agree with the fair management of the Art Forum. With the change of the exhibition management last year, most of the galleries returned again to the Art Forum. The aspect of a sales exhibition lost its importance.

Auction Houses

Germany plays no major role in the global auction market. The market is dominated by the auction houses Christie's and Sotheby's. These two actors bind about 60 percent of the worldwide auction sales of fine art. Within Germany the auction business traditionally has a stronger position in southern Germany and the Rhineland. In Berlin, the auction business is partly based on a tradition of the art trade before World War II, on the other hand, the reputation as an art site also attracts protagonists of the auction market. There are ten auction dealers, who offer a range of contemporary art. In addition antiquarian and arts and crafts are offered. General figures for the auction houses are therefore not meaningful for contemporary art.

The most important player in this field is the auction house Villa Grisebach, which was founded in 1986 in Berlin. A strong local tradition has the auction house Bassenge. Ketterer, headquartered in Munich and Hamburg, and Lempertz from Cologne each maintain

an office in the capital. Philips de Pury from the Anglo-American area has an office in Berlin-Mitte, but isn't doing own auctions. There is also a group of smaller companies. The creative industries report Berlin 2008 lists 26 companies in the auction industry, generating a total revenue of 45.8 million Euros. The annual revenue of the auction house Villa Grisebach was in 2009 at 29.5 million Euros. Since its founding the house has been specializing on fine art and classical modernism. In recent years, contemporary art (in this case art after 1960) became increasingly important for business. 2009 revenues in that range were around 5.5 million Euros. The economic crisis in 2009 made sales decline to about 30 percent. Thus, sales volume went back to the level of 2004. Despite the loss, no employees were laid off. The art purchases by customers in Berlin represent 20 percent of sales. For more regional positioned houses, the percentage is likely to be higher, but their sales volume is much lower.

Institutions of Contemporary Art

Berlin has a wide range of different exhibition spaces, ranging from temporary off-places and established local municipal art galleries of the districts to large buildings such as the Martin Gropius Bau, the Haus der Kulturen der Welt, and the Neue Nationalgalerie. Kunstvereine enrich the range of public exhibition spaces, as well as private collections and experimental forms of the independent scene. At the junction between local cultural work and the national art scene there are the local galleries of the art and culture offices of the district of Berlin. On the one hand, they offer artists and artists' initiatives an exhibition forum on the local level, on the other hand international artists will be brought to the district by exhibiting their art. This is often done in cooperation with the relevant diplomatic and cultural representative offices in Berlin. Known outside the boundaries of its district is the Haus am Waldsee in the district of Steglitz-Zehlendorf, which has been showing international positions of contemporary art since 1946. This includes immediately after the war Käthe Kollwitz, Karl Schmidt-Rottluff and Pablo Picasso. Many more now internationally known artists followed, and have made the Haus am Waldsee an early meeting point of the art scene.

In Berlin events like the Berlin Biennale and large temporary exhibitions in the field of contemporary art are visitor magnets. The Annie Leibovitz exhibition by C/O Berlin had 110,000 visitors. The fifth Berlin Biennale in 2008 had 100,000 visitors. During one year the exhibition spaces in Berlin receive between 30,000 visitors at Kunstvereine and more than 300,000 visitors at the Neue Nationalgalerie. The range of exhibitions in a city should not only address a broad audience but also a subject-specific audience. Attendance is therefore not the only quality criterion.

The public exhibition houses do not have own acquisitions budgets and depend on additional public and private sector funding for purchases and exhibitions. They are also in competition with each other for resources. Through loans and donations of private collections, such as Marx, Flick and Marzona at the Hamburger Bahnhof, and most recently the collection of Gasag to the Berlin Gallery, the lack of acquisitions budgets can be compensated and loopholes in the public stocks can be closed. "Berlin collects collectors" is the typical solution for Berlin according to former director of the Nationalgalerie Peter-Klaus Schuster.

The purchase of contemporary art is a risk and is often only possible by a financially strong circle of friends. A very famous example even outside Berlin is the circle of friends of the Neue Nationalgalerie with over 1,500 members and patrons, assisting with the acquisition of artworks, exhibitions and the financing of the National Gallery. Under the direction of longtime chairman Peter Raue the circle of friends managed in 2004 to show 200 masterpieces of modern art from the MoMA at the Neue Nationalgalerie during the renovation and expansion of the Museum of Modern Art. The exhibition 'MoMA in Berlin' had over a million visitors.

Even if Berlin cannot yet connect to the tradition of collectors before World War II in Charlottenburg, a growing number of collectors are settling in Berlin. In the Weimar Republic powerful private collectors influenced art in Berlin. In contrast to the Rhineland and southern Germany, Berlin has not recovered from the destruction of the bourgeois-intellectual milieu by the Nazi regime. Since the wall came down, several private showrooms have emerged, each reflecting the personal nature of the collector. Famous examples are

Barbara and Axel Haubrok, the collection Hoffmann and the Collection Boros. Corporations such as the Deutsche Bank or Daimler Chrysler are exhibiting collections in the center of Berlin.

A large number of private initiatives complement the offer of public exhibition venues. The Temporäre Kunsthalle and C/O Berlin belong to them, as well as Kunstvereine and experimental forms like the Freie Museum or the Forgotten Bar Project. The treasure chest of Berlin consists of small and medium-sized institutions that are more experimental and more flexible than large institutions. These halls, project rooms and off-spaces are fundamental components of Fine Arts in Berlin. In these spaces exhibitions, discussions, performances, concerts and readings are taking place. Behind it are artists, art historians or art lovers. While for the great houses the cultural tourism plays an important role, the art scene at the smaller institutions provides its own audience: artists collect art, gallery owners, collectors and curators are in exhibitions in search of new discoveries. Artists and art students are regular visitors to both the historical museums and the openings in the galleries. The diversity of Berlin offers numerous opportunities for new discoveries, which distinguish Berlin from other art centers, and ensures that art lovers are attracted.

Kunstvereine

In Berlin there are several Kunstvereine (art associations), with a tradition as meeting rooms for art and the audience and topics between art and society. They regard themselves as public organizations with a responsibility towards society. With this position, they can venture a more experimental approach than large state institutions. "Museums are focused on established positions. Kunstvereine can also afford to experiment. I think, more controversy brings more life to the Kunstverein." (Leonie Baumann, Head of Neue Gesellschaft für Bildende Kunst). Kunstvereine create their dialogue with society in different ways.

In the Neuer Berliner Kunstverein (n.b.k.), which was founded in 1969, the focus lies on the debate of the audience with the art, and on the discourse between the staff and guests of the Kunstverein. Besides exhibitions in the rooms of the Kunstverein, the n.b.k. offers the possibility to borrow more than 4,000 works of international art of the 20th and 21st Century for

free from the art library. A collection of over 1,000 international art videos can be viewed in a reference library. "The work of the n.b.k. is to stimulate critical thinking. Underneath lies the idea of intellectual participation with cultural processes, which is against the idea that culture is a consumer product." (Marius Babias, Director of Neuer Berliner Kunstverein) The numbers of visitors of the Kunstverein have increased in recent years and were in 2009 at over 20,000. Since taking office in 2008, the director Marius Babias has set new accents. In the first exhibition under his leadership, the artist Silke Wagner from Frankfurt was invited to re-design the house together with the art library and the video forum in her own way with regard to the context. The n.b.k. invites to an active participation in cultural processes as a place of contemporary art and discourse production. The n.b.k. offers a platform for the young art scene in Berlin with a showroom that is used for temporary projects by students from the University of the Arts.

Only a few days after the Neuer Berliner Kunstverein (n.b.k.) was founded, the Neue Gesellschaft für Bildende Kunst (NGBK), was founded on July 13th, 1969. A grassroots organization structure is the distinction of NGBK from other Kunstvereine in Germany. Exhibitions in the gallery space in the Oranienstraße in Kreuzberg are arranged and organized by the members themselves. To this purpose groups are formed to develop the project proposals. The members decide on their realization. The manager Leonie Baumann sees herself as a coordinator and therefore not as the curator of the exhibitions presented in Oranienstraße. With the highest number of thematic group exhibitions the Kunstverein enforces the discourse between art and society. "We are moving in a border area. We want to take new issues into the art and to encourage artists to deal with them." (Leonie Baumann, head of NGBK). In addition, they put a great emphasis on working with and developing new forms of art. Additionally the NGBK regularly awards a scholarship for art education. The company works with several schools and educational institutions. Since July 2009 it also regularly invites to discussions of international curators.

Also an art association, the KW Kunst-Werke - Institute for contemporary art e.V., adopts the art-theoretical

and social discourses and tries to introduce these by exhibitions and a framework for discussion. The Kunst-Werke were founded in the early 1990s by a group led by Klaus Biesenbach in Berlin-Mitte. Today, the KW is an exhibition space of 2000 sqm on five floors. International artists and young artists from Berlin have presented their work there. Moreover, thematic exhibitions were presented which made the KW soon popular, like the RAF exhibition (2005). Through cooperation with the PS1 and the Museum of Modern Art in New York, the Venice Biennale and the Documenta X, KW consolidated its position as an international center for contemporary art. The Kunstwerke are more international than any other institution for contemporary art in Berlin. They are financed by an annual grant from the State of Berlin, as well as external funding for projects. Every two years the KW organizes a Berlin Biennale in various places of the city. The first edition in 1998 supported the international perception of Berlin as a location for emerging contemporary art. The fourth biennale is considered to be particularly successful. Curator of this year's Biennale is Kathrin Rhomberg. As a major exhibition with event character the 'Berlin Biennale' is also an attraction for an audience less interested in art. So these shows are interesting for cultural tourism. The 'Berlin Biennale' is regularly funded by the Federal Cultural Foundation.

Exhibition halls and public collections

The exhibition hall with its own collection and a reference to Berlin is the Berlinische Galerie. Berlin's Museum of Modern Art, Photography, and Architecture has its headquarters since 2004 in the Alten Jakobstraße. The Berlinische Galerie focuses on art from Berlin. It houses a high-quality collection with art of Berlin from the turn of the century until the 80's, with works of the Berlin Secession, New Objectivity, as far as to the Junge Wilde. The extensive photography collection of the house has also to be pointed out. Today, the house cannot fulfill its collective order since there is no purchasing budget. This year the company received the collection of the Gasag AG as a loan. A number of art prizes are awarded in the Berlinische Galerie, accompanied by exhibitions of the winners. According to many protagonists the Berlinische Galerie with its rich collection currently doesn't maximize its potential as an institution of contemporary art in Berlin. This is a challenge for the

art historian Thomas Köhler, who will be the new director of the museum beginning in September 2010.

One exhibition hall where exhibitions of national importance in the federal capital can be shown, is the Martin Gropius Bau. It is supported by the Kulturveranstaltungen des Bundes GmbH, a national cultural organisation. Exhibitions that have been developed in Berlin will be passed on to museums abroad. Unlike the Federal Art Gallery in Bonn, the range of temporary exhibitions is not restricted to Fine Arts. Culture exhibitions, arts and crafts topics are also presented. Therefore the Martin Gropius Bau cannot be regarded as a mere institution of contemporary art. Also supported by the Kulturveranstaltungen des Bundes is the Haus der Kulturen der Welt, the place of the world cultures. The house, led by Bernd Scherer, is according to Scherer "a cosmopolitan place for the contemporary arts." This means that also here one does not focus on Fine Arts. In the exhibitions of fine art, music, literature, performing arts, film and digital media are presented together. This is also about linking the arts with social and scientific issues. An aim is also to present foreign cultures in Berlin. In order that the house will not become an international island within the city, one is trying to connect it to the local context. This is done on the one hand through supporting and education programs, on the other hand exhibitions are organized and conducted in exchange with the local scene. For instance, galleries and project spaces were involved with exhibitions through small "satellite exhibitions", and visitors were guided by maps and other information material to these exhibitions. Also thematically organized tours of the city can be found in the accompanying program on current exhibitions. With the series "Laboratory Berlin" starting in May 2010, the Haus der Kulturen der Welt offers a regular exhibition platform to international Berlin-based artists. The theater institution Hebbel am Ufer offers a similar interdisciplinary approach, by involving visual artists.

Another inter-disciplinary and discursive venue is the Akademie der Künste, Academy of Arts. It is financed by the federal budget because of the capital contract and includes the Department of Fine Arts, departments of music, literature, performing arts and film and media arts. The aim of the Academy of the Arts is "to plead for the freedom and the claims of art

against the state and society and to introduce current, still unknown artistic movements to the public". In this connection, changing exhibitions of Academicians and on current issues are shown in the two buildings on Pariser Platz and Hanseatenweg. The exhibitions are often accompanied by a discursive framework.

The national museums, where contemporary art is presented, are the Neue Nationalgalerie (New National Gallery) and the Hamburger Bahnhof, as a museum for contemporary art. The Neue Nationalgalerie in the Mies van der Rohe building has a collection of the period of 1900-1945 with Expressionism, Dada, New Objectivity and Surrealism. The Hamburger Bahnhof focuses on art after 1960. Both are departments of the Nationalgalerie (National Gallery) which is organized by the Prussian Cultural Heritage Foundation. Since 2009 Udo Kittelmann is head of the National Gallery. In the city high hopes are set on his work as curator of the Nationalgalerie but also as a personality in the art business. He is also expected to cast a stronger focus on contemporary art. The majority of the exhibition space of the building is occupied by the permanent loan collection of Marx. Other parts of the exhibits come from the collection Marzona. The Rieckhallen, the add-on of the Hamburger Bahnhof, will be used from 2004-2011 for the Christian Flick Collection. These private collections will fill some gaps of the public collections. The director of the Hamburger Bahnhof, Eugen Blume, called the Flick collection "one of the best private collections in the world". The relationship between private collectors and the public house is a "role model". Udo Kittelmann uses the Neue Nationalgalerie, in particular the above-ground floor for the presentation of established contemporary artists such as Thomas Demand.

In addition to public houses there are various private initiatives like small temporary projects or show rooms of private collectors and larger exhibition spaces like C/O Berlin, and Temporäre Kunsthalle. C/O Berlin - International Forum For Visual Dialogues is an exhibition space for photography in the former Postfuhramt in Berlin in Oranienburger Straße. The private institution was founded by the architect Ingo Pott, the designer Marc Naroska and the photographer Stephan Erfurt in 2000 and is funded entirely by private investments. Public project funding is

sought only for exhibitions. In terms of audience and media coverage the Annie Leibovitz exhibition was the most successful exhibition for C/O Berlin. Artist talks, lectures and guided tours complete the program.

Near the former Palace of the Republic is the Temporäre Kunsthalle. Shortly before the building of the GDR was torn down, the exhibition "36 x 27 x 10" took place there in 2005, which was launched by Coco Kühn and Constanze Kleiner and caused general enthusiasm. Through this exhibition, the idea grew strong that Berlin needed a place for exhibitions of artists living here. The project of the Temporäre Kunsthalle is funded by the Foundation Zukunft Berlin, behind which the art-collector couple Dieter and Si Rosenkranz stand. The project is funded entirely by private money and limited to the start of the construction of the Humboldt Forum. The program that was sketched out for two years was divided since the end of 2008 into two stages. In the first year, individual presentations were shown of art by artists living in Berlin, in the second year current positions of the Berlin scene are supposed to be presented in group exhibitions that are curated by artists.

The debate over a new art museum has stressed the need for a central institution that offers a platform to contemporary art from Berlin. It is still unclear whether the solution is to strengthen already existing institutions, a "Kreativquartier", or if it is the establishment of a new international trade mark, or if there are other alternatives. Last year in fall, the debate culminated in the dispute over two alternative locations. Opposed to each other were the plan of the governing mayor Klaus Wowereit for a new building possibly across to the Hamburger Bahnhof and the concept of the Initiative Berlin Kunsthalle, which pleaded for a reconstruction of a place in Kreuzberg. A consensus is that an art museum should attract national attention for contemporary art in Berlin and it should create orientation. A new institution is supposed to position itself at the junction of the current artistic production, local institutions and the public. The new building project failed at the Berlin Senate. Alternatively, 600,000 Euros for the next two years were made available for a "Mobile Art Gallery", which is supposed to present internationally oriented contemporary art at different locations. During this

period, a final approach for an art gallery is being developed.

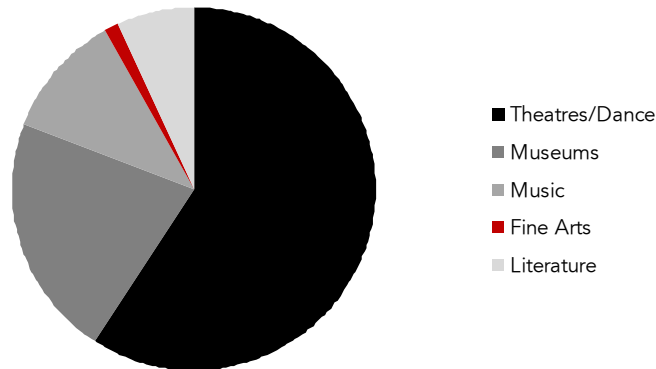
Cultural Politics

Because of the federal structure of the Federal Republic the promotion of culture is primarily a state matter. Because of the capital position of Berlin federal funding for Berlin is also going to the art scene. On a third level, the cultural work of the twelve districts in Berlin has to be mentioned. From Federal funds, the Federal Cultural Foundation and the Foundation Art funds are funded, each supports projects in the cultural sector of the whole Federal Republic. In 2007, the Capital Cultural Fund was established to solely fund projects in Berlin. In 2010, the Capital Cultural Fund has 9.866 million Euros, of which the field of Fine Arts and its projects are subsidized with a total of 804,000 Euros. The Kulturveranstaltungen des Bundes GmbH is a state-owned GmbH, with the administrative management of the Haus der Kulturen der Welt and the Martin Gropius Bau in Berlin. Furthermore, as measures of cultural foreign policy the Haus der Kulturen der Welt and the Berlin Artists-in-Residence programs of the DAAD are supported.

In the federal state of Berlin the support of Fine Arts is the smallest part of the cultural budget, next to the areas of theater and dance, museums and memorial culture, music, literature and libraries. With around four million euros in 2010 the federal state of Berlin supported artists, projects and institutions in the field of Fine Arts. The support of the costly art museums has to be added to this, it is not included in the figure. Here the Berlinische Galerie and the national museums in Berlin have to be mentioned. For the Fine Arts of the present the structural support of the following institutions is crucial: Künstlerhaus Bethanien, Kunst-Werke (KW), Kulturwerk of the Professional Association of Visual Artists and the German Artists Association.

The main support for artists in Berlin is the Ateliermietprogramm (program to rent studios), through which 368 sponsored studios are made available. The price per square meter is three to four euros. The rooms are granted for eight years. Additionally, studios are supported by voluntary organizations, so that about 700 studios are available through the Atelierprogramm.

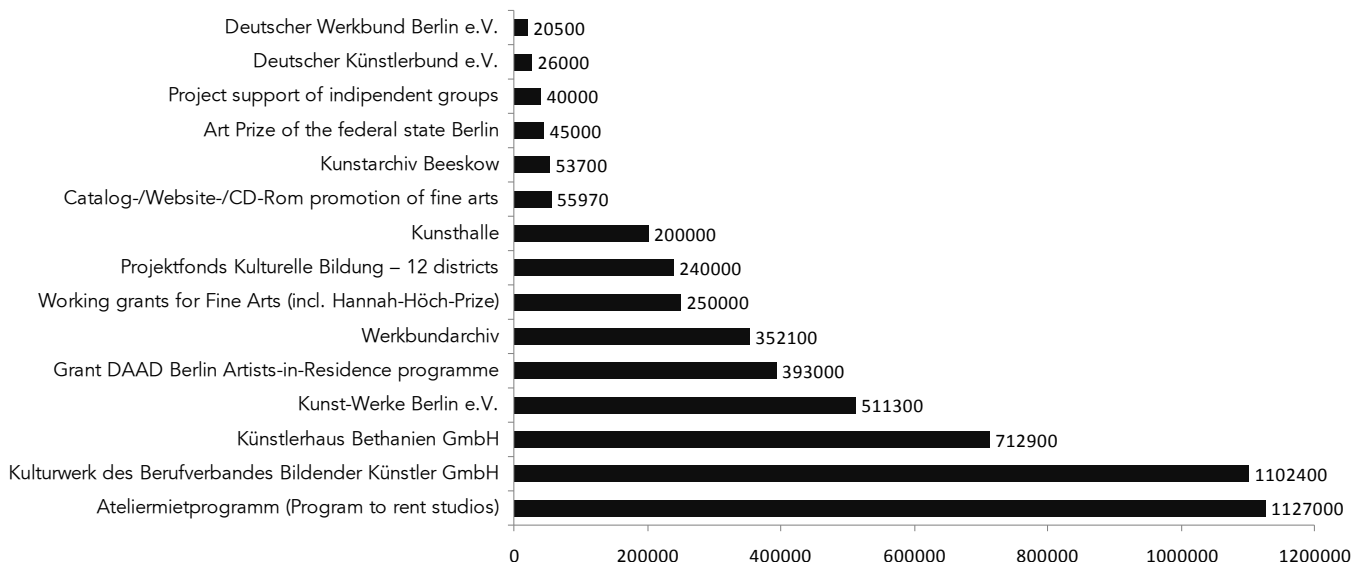
Berlin Culture Budget Plan 2010



Source: Senate Department of Finance

Eight projects by independent groups have been supported with about 46,000 Euros. In addition, individual artists have received working grants and catalog support. In 2008, for example, 19 grants were awarded to visual artists. It turns out that the need for the support of artists could not be met at all, since only about 10 percent of requests were granted.

Expenses Fine Arts Federal State of Berlin 2010 (Annual amount in Euros)



Source: Senate Department of Finance
 Stiftung Berlin Gallery (6.085 million) and Prussian Cultural Heritage Foundation (14.599 million) have also to be taken into account.

In addition, the federal state of Berlin awards annually two art prizes: the Hannah Höch prize with 30,000 Euros and the Art Prize of Berlin with 45,000 Euros. The cultural budget for the years 2010 and 2011 also provides 600,000 Euros for the development of a concept for a permanent art museum, which is supposed to present contemporary art on an international level in Berlin. Besides the federal state and the federal government also the twelve districts of Berlin promote culture. The local cultural activities are oriented by the social structures of the residents in the district. "I understand local cultural work as an entanglement of the creative artistic potential with the local structures." (Stéphane Bauer, head of the Kunstraum Kreuzberg / Bethanien)

The weighting of Fine Arts varies. The decisive factor is often the density of artists living in a district. The districts of Kreuzberg and Neukölln, where currently very many artists are living, connects the actors and initiatives with each other and creates a potential for synergies. A good example is the Festival 48 Stunden Neukölln, which meanwhile attracts visitors from beyond the quarter and allows an insight into the diversity of the scene. For the cultural education districts are annually given 20,000 Euros by the federal state Berlin.

As part of the development of cultural and creative industries as a crucial economic factor, a number of additional supportive measures have been created. In this area EU funds play an important role. The Senate Department of Economics is working towards the development of a special funding for cultural industries, which includes the art market. The Investment Bank Berlin (IBB) awards since 2009 loans to businesses from the creative branches, to which galleries can also apply. Two support programs are specifically designed to the needs of galleries. With the help of the National Association of Galleries in Berlin (LVBG) there is a funding for fairs for Berlin galleries. Within the joint presentation "art from berlin" galleries are given the opportunity to participate with the help of a funding at international art fairs.

Commitment of individuals and companies

The commitment of individuals and companies is an essential promotion of contemporary art. Investments

are made directly through the purchase of art works, and indirectly in infrastructural areas such as exhibition spaces or factories. Through the Foundation Zukunft Berlin by the couple Rosenkranz a private patron is funding the Temporäre Kunsthalle. Although the idea of a self-sustaining project failed, the Rosenkranz couple maintained to their project. In Berlin, the foundation of the Deutsche Klassenlotterie is particularly important. In 2009, the Berliner Kunstverein was funded with 834,000 Euros and the Neue Gesellschaft für Bildende Kunst was funded with 681,000 Euros. For both institutions this sum means their annual budget. For houses Kunst-Werke, Haus am Waldsee and the Künstlerhaus Bethanien, the clean-up costs for the buildings were taken. In 2008 28 works of art, worth 250,000 euros, were purchased from the Foundation funds, which were given to the Berlinische Galerie, the Stiftung Stadtmuseum, the Neuer Berliner Kunstverein and the Kupferstichkabinett. With the help of private participation the Uferhallen in Wedding were established. The prices for renting studios are with four euros per square meter not higher than the costs of the Atelierprogramm of the Senate. At the Berlin Kreuzberg Aqua Carrè rooms are also available to artists, more studios and gallery spaces are created with the construction of exhibition halls in Schönweide. Through cooperating with museums, collectors gain some influence over the institutions of art, for example if the institutions do not have an own bargaining position in order to oppose a gift or the loan. Most collectors want to act freely according to their entrepreneurial self-image, to implement their ideas, and also raise no claims: "I am independent as a private collector. Who gets subsidies, has to be called into account. I don't. I can do what I like best." (Axel Haubrok, Collector)

Recommendations

Among the outlined conditions of contemporary art in Berlin are the diversity of culture, from classical music to techno and the possibilities to design in the city. Compared to other metropolises, Berlin has cheap spaces, in many districts the cost of living are still lower than in other German cities. The well-known slogan for this condition is "poor but sexy". With this attitude a policy is connected that uses short-term opportunities and neglects long-term perspectives because the financial situation of the city suggests that

large projects are not possible. The importance of contemporary art for the city of Berlin requires, however, that challenges are discussed to an end in a binding framework and that conceptual considerations are not immediately linked to the question of financial resources. It should be asked first whether an idea is conceptually stable. Only afterwards financing issues should be addressed. The cultural policy depends on the involvement of different actors in contemporary art for an analysis and possible implementation. A precondition for success is that contemporary art is classified not as before in the functional logic of politics and thus appears in all possible categories, it has to become the thread itself that serves as an orientation. **The first action recommendation is to introduce contemporary art as an independent feature of orientation, as a bracket, to political processes.** This proposal is followed by a developmental logic that involves all protagonists such as artists, gallery owners, representatives of exhibition spaces, Kunstvereine, museums, art schools, as well as curators, art dealers, collectors and critics, who are referring to contemporary art.

From a political perspective, the most important effect of contemporary art is, that Berlin attracts long-term investment power and entrepreneurship in many areas. Contemporary art will never be able to directly create as many jobs in artists' studios, galleries, museums and service organizations so that it will be an economically attractive factor for that reason. For 2006, the cultural report for Berlin lists 6,624 employees in the art market. Even with an unlikely doubling of the art market it would be not a relevant factor for labor markets in Berlin. Significant revenues from the art trade as in London and New York are not made from art production in Berlin. But contemporary art draws tourists to Berlin. Galleries, artists and artistic works are visible and enrich the city as well, as the discourses of exhibitions and public events do. There are no immediate connections between contemporary art in Berlin and the economic development of Berlin. Nevertheless, the relation becomes clear by taking a look at the last twenty years: contemporary art with its development since 1990 has given the city, with the beginning of this decade, worldwide attention and reputation as a vibrant cultural city. Moreover, the development of contemporary art is linked very positively with the urban development. The contri-

bution of contemporary art to the attractiveness of Berlin and to the brand equity of the city makes every image campaign look pale. Compared to a marketing campaign contemporary art creates not only short-term attention, but a long-term reputation for the city.

Contemporary art has developed so much substance that is spreading its attractiveness merely through word of mouth in global networks. Contemporary art is only indirectly regarded as an economic factor. In the foreground are the positive effects on urban development and the city's image, both internally and externally. **The second recommendation for action is to consider contemporary art in Berlin as the cultural capital of the city.** This proposal refers to general commitments to contemporary art and relies on the belief that investments will follow a contemporary entrepreneurial logic and cannot be based on business calculations.

Perspectives and opportunities for development of contemporary art can only be established together with other protagonists. A framework can be created by the protagonists themselves within partnerships for an exchange of information. At the same time cultural policy as a moderator can create commitment and reliability within a continuous process. Such a platform is urgently needed. The protagonists involved in contemporary art are numerous, and there is no person or institution which occupies a central role. An important role has been played since the wall came down by entrepreneurial initiatives of artists and gallery owners. This evolutionary development is the great strength of contemporary art in Berlin. At the same time it is also its weakness. The protagonists take the fruitful environment for granted and often put their individual goals in the foreground, instead of developing measures in the interest of everyone to create new possibilities for contemporary art.

This attitude has to change. **The third recommendation for action is a Berlin development plan for contemporary art, with a horizon of ten years in order to develop and implement goals.** This development plan cannot and should not define contemporary art and its protagonists, instead it should create conditions and opportunities for fruitful developments. Many challenges can be integrated into it. Debates like the one about a new art museum

would be placed in the context of contemporary art in Berlin, because before the question about the right location, the question should be, which part a new institution could play within the structure of existing institutions such as Kunstvereine, galleries and exhibition houses. Many important protagonists question the necessity of an art museum and some demand, that already existing and internationally recognized institutions such as the Kunst-Werke (KW) should be encouraged.

Right now the protagonists are communicating through their informal networks - during work, at fairs or in a private setting. Even for insiders opacity prevails in some areas. An arts development plan creates occasions for formal exchanges. In a moderated strategy process goals can be inquired of the partaking protagonists and priorities can be set. Adopted goals can be obtained from cultural politics to budget plans and would replace a discussion about the assumed needs of individual institutions. The evaluation of the objectives will be based on criteria which are agreed to by everyone. With the designs coming from the protagonists, they can thus autonomously and self-confidently help to determine the criteria for the implementation of their objectives. A fixture of a continuous platform is an annual meeting to a moderated exchange of representatives of the artists, gallery owners and exhibition houses and other protagonists with a thematic focus. This 'Parliament of Contemporary Art' brings together representatives of contemporary art of city quarters, the state and the federal government. Existing knowledge from the city quarters will be used in this way, as well as international networks. Thus, not only activities within the area of contemporary art can be coordinated, this field would receive a higher profile and could become a point of reference to others. **The fourth recommendation for action is to strengthen the cooperation between the protagonists of contemporary art.** The interaction of the institutions has been underdeveloped, even though previous examples of cooperation by the parties have been assessed positively. Public funding should be more closely aimed at projects and groups. Cooperations create synergy effects when the strengths of all parties can be placed. At best they place the given issue in the center. This could also entail more exhibitions on international standards in future.

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