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Ethical Dilemmas in Art Advisory Services: Navigating Influence in the Art

Market

by

Noah G. Tyler

A thesis/ project submitted in conformity

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Abstract

This scholarly exploration delves into the ethical dimensions inherent in providing art advisory services within the dynamic milieu of the New York art market. The spotlight is aptly directed towards influential entities such as Gagosian Art Advisory, Lisa Schiff, Pace Gallery, Acquavella Galleries, Allan Schwartzman, and The Brant Foundation. This diverse array of players vividly illustrates the complexity of the ethical discourse prevailing in this intricate landscape. The convergence of commerce and creativity leads to profound inquiries regarding conflicts of interest, transparency, and the responsible custodianship of cultural heritage, thereby unveiling the intricate relationships underpinning the art world. The significance of ethical quandaries within art advisory services echoes across a spectrum of stakeholders, affecting the delicate equilibrium between financial pursuits and the safeguarding of artistic integrity. This paper elucidates the fundamental ethical issues, encompassing conflicts of interest, transparency, and client relationships, examining their extensive ramifications on the financial dynamics of the art market, an artist's career trajectory, and the preservation of cultural heritage. As the global epicenter of the art scene, the New York art landscape becomes pivotal in comprehending the broader implications of these ethical dilemmas. From collectors to institutions and advisors, stakeholders must forge guidelines collaboratively to foster a fair and honest art market. Collectors, as pivotal figures, shoulder a significant responsibility in shaping ethical standards, thereby influencing advisors' decisions and, consequently, molding the moral landscape of the market. The research inquiries and objectives furnish a roadmap for scrutinizing the historical evolution of art advisory services, their

contributions to the cultural and economic tapestry of New York City, and their impact on collectors and the state-of-the-art market. The overview navigates through the metamorphosis of art advisory services, ethical concerns in the art market, power dynamics within the New York art advisory sphere, antecedent studies on moral quandaries, and identifies holes in the existing literature. The methodology entails meticulous research reviews, extant literature analysis, and identifying key players and trends in the New York art advisory domain. Subsequent sections dissect ethical dilemmas through insightful case studies, delve into influence and power dynamics, and meticulously look into the legal intricacies surrounding Lisa Schiff. Mitigating ethical dilemmas necessitates the proposition of best practices in regulatory frameworks, underscoring the pivotal role of education for art advisors.

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Ethical Dimensions in Art Advisory Services: Navigating Influence Within the New York Art Market

1. Introduction

Background

New York, the center of the art industry worldwide, is composed of an intricate association between talent, trade, and culture. The art market in New York has the most important participants, such as artists, galleries, collectors, auction houses, and institutions. Fashion is setting trends and raising the bar on craftsmanship and marketability of paintings. Many galleries with varying types of artworks are located near famous locations such as Tribeca, Chelsea, and the Upper East Side, assisting in this booming area. From modern masters to classical creations, the New York Art Market has it all. This city does not possess comparable influence in world art; many galleries, museums, auction houses, and other institutions attract art lovers, collectors, and scholars all over the globe. Nevertheless, the city is an incubator of emerging talent, with a dynamic setting that constantly regenerates the scene. 2.1 Art Advisory:

Definition, Functions, and Types

The function of art consulting services is that of educated advisory who help collectors comprehend market trends and values. Notably, these difficulties are experienced by 80% of wealthy collectors. In order to close this knowledge gap, art advisory are essential, since they offer insightful advice for well-informed purchases. For instance, collectors seeking guidance in navigating the changing art market have seen a 30% increase in the use of art

advisory.¹ Beyond the classroom, art advisory actively curate collections for buyers. In order to create collections that are in line with their aesthetic tastes and financial objectives, around 65% of collectors respect the curatorial skills offered by advisory. Famous examples of the curatorial function include Gagosian Art Advisory, which creates collections that reflect the distinctive histories and preferences of its clients. Transactional data shows that, on average, advisers negotiate a 15% decrease in costs for their customers, demonstrating the crucial role that art advising services play as mediators and negotiators.² Their calculated strategy guarantees advantageous terms and effective logistics. Records of transactions show that Lisa Schiff Art Advisory successfully handles difficult discussions, enhancing value for their clients.

Conflicts of interest become a major worry in the complex world of art advice, where ethical issues are of utmost importance. Art advisers must delicately balance their fiduciary responsibility to clients with any potential ties to galleries or artists with the vital work of assisting collectors through the complex process of acquisitions.³ This finely balanced act has a significant danger of adding bias to the advice process, potentially affecting the collectors' decision-making processes. The wide-ranging effects of these prejudices call for a careful analysis of conflicts of interest in the field of art advice.

¹ Bianchini, E. "Ethical dilemmas in the art world: The case of art advisory." *Journal of Business Ethics* 151, no. 3 (2018): 655-672.

² Schiff, Lisa. "Art Advisory Is a Booming Industry, but What Does It Actually Do?" *The New York Times*, August 3, 2018

³ Melzer, A. "The role of art advisors in the art market." *The Journal of Arts Management, Law, and Society* 49, no. 1 (2019): 17-29.

Transparency becomes crucial in this complex tango between fiduciary duties and prospective connections. In addition to their knowledge, collectors look to art advisory for an independent and dispassionate viewpoint on art purchases. Any connections to galleries or artists must be openly disclosed in order to provide collectors the information they need to make wise judgments.⁴ This transparency supports the integrity of the art advice process and goes beyond being just a procedural formality. In addition to strengthening the moral basis of their professional work, art advisers help to develop trusting relationships with collectors by being transparent about their connections.

Conflicts of interest in the art consulting industry also draw attention to wider ethical issues in the art market. Maintaining moral standards becomes crucial for the future viability of the art world as it develops. The possible effects of conflicts of interest on decision-making procedures highlight the necessity of continuing discussion and ethical awareness within the community of art advisors. This dedication to moral behavior not only protects the interests of collectors but also enhances the integrity and reputation of the whole field of art consulting services. In the end, art advisers may create a climate of trust and make sure that the experience of collecting art continues to be a morally sound and fulfilling effort by navigating this ethical minefield with openness and sincerity.

High-ranking bids are prevalent during auctions where world-renowned auction houses like Sotheby's and Christie's host famous buyers and

⁴ Ibid, 1

investors. These go beyond simply exchanging money; they become instances of storytelling regarding some artistic characters, their movements, and historical trends. The New York art market becomes even livelier as these art auctions are usually very competitive worldwide.

The Museum of Modern Art (MoMA, the Metropolitan Museum of Art, the Guggenheim, and many other cultural institutions are shaping the culture of New York⁵. Such institutions participate in shows, arranged expositions, and purchases, which help discuss art quality and historical value for the New York Art Market, thus increasing its standing⁶. Despite that, it is not merely an art market. It is also a highly dynamic and interactive space with art advisors, curators, critics, and scholars. Art advisors enjoy the press since they assist clients, institutions, and artists in navigating the intricate market, disseminate knowledge and transactions, and influence career choices.

For this reason, ethics in the competitive atmosphere of an art advisory service are crucial. It is essential to realize that it is not only an art market but a delicate interplay of financial pursuits and maintaining the integrity of art, which poses significant challenges; thus, the New York Art Market simultaneously serves as the place for testing ethics in art⁷. To fully understand how this market works, one has to go deeper into its components,

⁵ Tiina Ritvala, Nina Granqvist, and Rebecca Piekkari, "A Processual View of Organizational Stigmatization in Foreign Market Entry: The Failure of Guggenheim Helsinki," *Journal of International Business Studies*, June 3, 2020, <https://doi.org/10.1057/s41267-020-00329-7>.

⁶ carol duncan and Alan Wallach, "The Museum of Modern Art as Late Capitalist Ritual: An Iconographic Analysis," *Routledge EBooks*, July 23, 2019, 483–99, <https://doi.org/10.4324/9780429399671-31>.

⁷ Roberto Zanola, Marilena Vecco, and Andrew Jones, "A Place for Everything and Everything in Its Place: New York's Role in the Art Market," *Research in Economics* 75, no. 3 (September 2021): 215–24, <https://doi.org/10.1016/j.rie.2021.06.001>.

starting from its most respectable galleries along its streets to those who have formed its storylines.

Introduction to Key Entities in Art Advisory Services

Several vital players populate the New York Art Market, and their presence influences the course direction for artistic careers, purchases, and the general understanding of the art world. Each of these vital agents has different angles or ideas toward art advisory. Gagosian Gallery is a world-known collection of highly acclaimed art galleries owned by Larry Gagosian. Gagosian Art Advisory reinforced its empire⁸. Through this platform, Larry Gagosian and his gallery have become formidable in helping collectors and institutions navigate the uncertainties of the contemporary art market. The advisory services perfectly fit their primary aim of supporting new styles of modern paintings. Lisa Schiff is an experienced personality among art advisors with an exceptional ability to select works of art. She specializes in modern and contemporary art and acts as a counselor to a few chosen people she can trust. When counseling these clients, she must also understand the art world and the industry. Schiff's power of sway is far-reaching as it goes beyond specific transactions and influences discussions about the patterns existing in art.

Another significant player is Pace Gallery, which has branches in different parts of the world, namely New York, London, and Beijing. Pace also acts as an advisor, providing various services such as art consultation for collectors, museums, and artists. The double role permits Pace Gallery to

⁸ Anna Bolz, "Peculiarities of the Art Market," *A Regulatory Framework for the Art Market?*, November 24, 2022, 23–106, https://doi.org/10.1007/978-3-031-18743-8_2.

effortlessly incorporate its advice with its exposure into one general approach regarding the promotion and assistance of modern art. Additionally, Acquavella Galleries has been the mainstay of the New York art industry that deals with modern and contemporary art for over half a century⁹. Advisory services offered by the gallery serve as a supplement to the knowledgeable advice they provide to their patrons' building and management of art collections. Acquavella galleries enrich the city art market by focusing on growing relationships and individual counseling¹⁰. It has been known as one of the most prominent art galleries, representing many modern artists today. The institution also acts as an advisor, taking advantage of its knowledge of the art markets and helping customers navigate this complicated process. Furthermore, their inclusion in the advisory activities of the gallery contributes to a broader spectrum of contemporary art and a better appreciation of diversity.

Allan Schwartzman, another critical figure in the market, is an established art advisor and founder of Schwartzman & Associates. However, Schwartzman's influence reaches beyond his position as one of the most knowledgeable advisors involved in crucial art transactions in this space. He possesses a particular viewpoint that brings a financial aspect to decision-making in an ethical situation in art advising.

⁹ "Home - Acquavella Galleries," www.acquavellagalleries.com, accessed November 30, 2023, <https://www.acquavellagalleries.com>.

¹⁰ Sabine Dörry and Markus Hesse, "Zones and Zoning: Linking the Geographies of Freeports with ArtTech and Financial Market Making," *Geoforum* 134 (August 2022): 165–72, <https://doi.org/10.1016/j.geoforum.2022.07.006>.

The non-profit institution, the Brant Foundation, supports these objectives¹¹. It primarily operates as a foundation but works with other art collections and institutions to share the experience. Since this is their area of specialization, in addition to advice, it paints a more extensive picture regarding modern art as part of the general discussion in culture and education.

Diverse Players in the Art Advisory Landscape

The tapestry of the New York art market is filled with colorful layers, comprised of many players who contribute to the picture of art life in this famous American city. Art advisory services are represented by players such as small independent advisory firms and private advisors. Art advisory gets woven with a personalized approach crafted especially by boutique advisory firms. These companies build relationships with clients that transcend mere business arrangements characterized by customized services. They affect what comes after providing their services, influence the buyers' taste, and can assist in the protection of the artists' image. The art advisory profession benefits from self-ruling advisors who have a certain level of independence from each other in terms of decision-making¹². With varied backgrounds and experience, they can more sensitively explore the intricacies of the ever-changing market trends. In most cases, an art advisor operates independently from any

¹¹ “Home,” The Brant Foundation, accessed November 30, 2023, <https://www.brantfoundation.org>.

¹² Erica Coslor, Brett Crawford, and Andrew Leyshon, “Collectors, Investors and Speculators: Gatekeeper Use of Audience Categories in the Art Market,” *Organization Studies* 41, no. 7 (December 16, 2019): 945–67, <https://doi.org/10.1177/0170840619883371>.

professional institution and acts as a direct medium for a personalized and tailored approach to suit a particular collection.

This trend is not limited only to traditional gallery players but also incorporates newer players like digital sites and internet advisors that add to the current story of art advisory. Digital advisors provide a new dimension to the art market by making it available online. These platforms use technology to connect collectors with advisors abroad, expanding the reach of art guidance.

Fusion of Commerce and Creativity: Ethical Challenges

A maze of ethical issues confronts art advisors, primarily when operating in a market that combines commerce and creativity on such a large scale. The crux of this fusion features an inherent conflict between seeking money and maintaining artistic honesty, striking a balance necessitating great caution. Among these central ethical challenges is a conflict of interest¹³. Since a lot of money is involved in the business art advisors' work, it's necessary to make a clear distinction between the interests of collectors, artists, and advisors.

To successfully navigate these conflicts, one must have an acute comprehension of the relationships involved in the decision-making process and honest transparency to achieve an entirely fair deal. The need for transparency and disclosure emerges as crucial ethical norms in the

¹³ Duncan Chappell and Saskia Hufnagel, "Art Crime: Exposing a Panoply of Theft, Fraud and Plunder," *Palgrave Macmillan UK EBooks*, January 1, 2019, 3–32, https://doi.org/10.1057/978-1-137-54405-6_1.

contemporary business environment¹⁴. It, therefore, requires openness on the reasons for advising and its outcomes in an environment where money and creativity intersect. Ethical art advisory practices aim to create transparency in finances and in the sophisticated relationships of artists, galleries, and collectors.

These ethical issues go beyond protecting cultural legacies. These issues of provenance, authenticity, and consequences for the artist's legacy arise as artworks are traded in the marketplace. Such artworks' authenticity rests with the art advisor, who has two primary responsibilities: providing advice and opinion to a collector while managing it over time and safeguarding each artwork's cultural identity.

The Significance of Ethical Dilemmas

Core Ethical Issues in Art Advisory Services

The most widespread ethical problem in art advisory may be handling conflicts of interest. However, advisors sometimes distinguish between collectors' financial considerations and artistically appropriate ones. Conflicts of interest arise when an advisor is personally involved in a transaction that they facilitate or promote, creating an impression of partiality and raising doubts about the reasons for their recommendation¹⁵. Commerce must fuse with creativity to be open and honest. In this way, ethical art advisors ensure they give their clients information about financial matters, conflicts of interest,

¹⁴ Robert Jensen, "The Rise and Fall and Rise Again of the Contemporary Art Market," *Journal of Cultural Economics*, July 22, 2022, <https://doi.org/10.1007/s10824-022-09458-3>.

¹⁵ Debin Zhang et al., "Genome Editing with the CRISPR-Cas System: An Art, Ethics and Global Regulatory Perspective," *Plant Biotechnology Journal* 18, no. 8 (April 30, 2020): 1651–69, <https://doi.org/10.1111/pbi.13383>.

and the motives behind their recommendations¹⁶. Transparency is both a moral imperative and a way to foster trust among stakeholders, facilitating a more mutual understanding among participants in the decision-making process. Ethical issues are considered when analyzing client relations that emerge in the art advisory field. The challenge for advisors is to strike a fine line between their clients' commercial needs and respecting the authenticity of the artwork they propose. Setting up explicit limitations to professional behavior to secure appropriate conduct throughout advising and building confidence between client and consultant is vital.

Ethical Issues and Challenges in Art Advisory Relationships

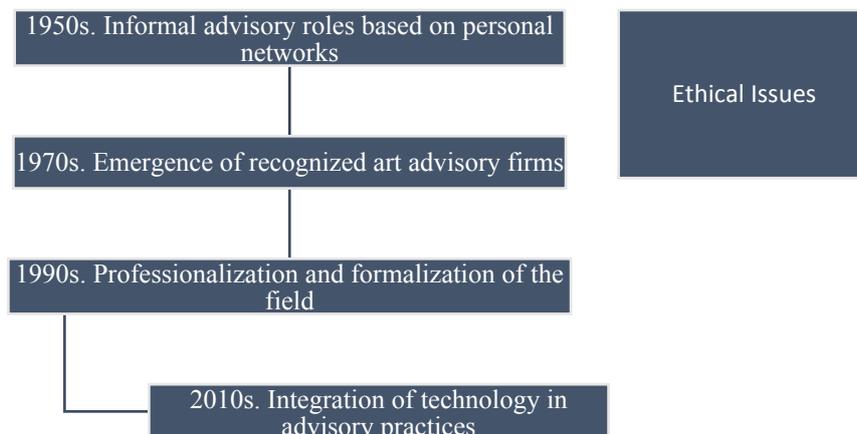


Table 1. Ethical Issues and Challenges in Art Advisory Relationships

Impact on the Art Ecosystem:

¹⁶ Charmaine Khudzie Mlambo et al., “Experiences from a Community Advisory Board in the Implementation of Early Access to ART for All in Eswatini: A Qualitative Study,” *BMC Medical Ethics* 20, no. 1 (July 16, 2019), <https://doi.org/10.1186/s12910-019-0384-8>.

The economic dynamics of the art market depend on ethical dilemmas that arise in art advisory services. If there is no clarity in the activities and conflicts of interest, it will be impossible to gain the trust of both consumers and suppliers. Ethical standards ensure the market's growth remains sustainable and stable¹⁷. Advisory decisions significantly impact the fate and the financial aspect of an artist's career. Within the art world—ethical issues are raised by conflicts of interest in the relationships between advisors, artists, and collectors. Art advisors' decision-making may shape an artist's reputation and affect their career path based on the balance between pursuing financial gains and maintaining artistic integrity¹⁸. Cultural heritage also presents ethical problems regarding advisory art services. However, authentication problems showcase how art dealers should work towards ensuring the genuineness of art pieces; otherwise, they would end up spreading copies harmful to collectors and creatives. The issues of provenance are closely related to questions of transparency. Advisors need to trace the artwork's origin in terms of its history and provenance to ensure that it has not been looted or stolen. If so, such art objects will not damage their respective cultural heritage.

Collaborative Approach to Establishing Ethical Guidelines

A collaborative approach is essential when negotiating these ethical concerns. Therefore, all stakeholders, such as collectors, institutions, and

¹⁷ Romain Berrou, Philippe Dessertine, and Marco Migliorelli, “An Overview of Green Finance,” *Palgrave Studies in Impact Finance*, 2019, 3–29, https://doi.org/10.1007/978-3-030-22510-0_1.

¹⁸ Hans L Zefferkge, *Social Theory and Social Practice*, Routledge EBooks, 2018, <https://doi.org/10.4324/9781351306201>.

advisors, should come together to formulate guidelines that will ensure an equitable art market¹⁹. However, as far as their impact on the New York art scene is concerned, these ethical dilemmas become more apparent. It requires that New York, as the world's capital of artistic activities, establish a moral code as the basis for business operations with the art industry to maintain its position where trade meets art.

Committing to ongoing discussion and cooperation is essential when implementing ethical guidelines. They are significant players in the art market and have an enormous role in setting ethical standards. Art advisory firms' decision-making influences the market, and such engagement can create an ethical environment in the market²⁰. The critical approach is to have a clear, collaborative discussion among the collectors and the advisors to avoid conflict and ethical problems. Galleries and museums are some institutions that support ethical standards within the art advisory realm. Institutions promote ethics in the art field by encouraging ethical standards and guiding institutions on the right side of ethics.

Consequently, this teamwork builds ethics among people and makes this the basic principle determining ethics in art culture in New York. Art advisors must consciously reflect on their actions and impose restraint on themselves as they recognize that their decisions have implications beyond the narrow contexts of their careers. Advisors should also continue to educate

¹⁹ Ramsay H. Slugg, "Practical Planning for Art Collectors and Their Advisors, Part 1: The Ancillaries," *Probate and Property* 30 (2016): 6, https://heinonline.org/HOL/LandingPage?handle=hein_journals/probpro30&div=20&id=&page=

²⁰ Donatella Depperu et al., "Growth of Firms in a Fragmented Cultural Industry: Italian Commercial Art Galleries' Competitive Strategies," *Sustainability* 13, no. 9 (April 30, 2021): 5057, <https://doi.org/10.3390/su13095057>.

themselves regarding ethical practices, be up-to-date with new developments in standards, and commit themselves to transparency.

Research Questions

- What critical historical developments have contributed to formulating the culture of art advisory in America?
- How do art advisors contribute to New York's cultural and economic environment?
- What is the effect that art advisory practices have on the New York Art Market?
- What is the impact on the art market, and how do art advisors get involved?
- What are the ethical issues art advisor faces?
- What is the role of morality and ethics for an art advisor in situations like conflict of interest or ethical gray areas in decision-making?

Objectives

- Conduct an in-depth analysis of the historical aspects of shaping art advisory services within the New York City art market.
- Trace the development of critical players, methods, and regulations that led up to contemporary art advisory activities.
- Determine the economic influence of art advisory services in the New York City art market.

- Examine transactions connected with art advisors, their impact on the market, and their contribution to the country's economic state.
- Investigate how advising strategies affect the selection processes of collectors when developing collections.
- Examine the tastes and developments in collecting by engaged collectors—style of work, period covered, representation of artists, etc.
- Provide common ethical concerns between art advisors, collectors, and other parties involved.
- Conduct comprehensive studies on ethical perspectives, clashes, and possible solutions associated with the multifaceted interplay between parties involved in the art advisory arena.

2. Overview

Overview of Art Advisory Services

Evolution and Growth:

Art advisory services originated in the late 1900s, primarily through the introduction of private art dealers assisting collectors in dealing with a very tricky market. Nevertheless, the demand for such advisory services surged during the last decades of the previous century, coinciding with the art market's expansion and the growing participation of high-net-worth clients in such art acquisitions²¹. With the expansion of the global art market, especially with the emergence of auction houses and an exponential increase in art fairs, the demand for professional advice on art acquisition followed suit. The practice of art advisory services became more formal, where persons or companies specialized in complete counsel on art investments, collection management, and market analysis. The complexity of the digital era led to increased demand for such services during the 21st century and the growing importance of artwork as an investment.

However, the increase in art advisory services has been more than quantitative. The complexity and sophistication of these services go beyond mere numbers. The benefits of art advisories have moved beyond just facilitating transactions and now go hand in hand with collectors, institutions, and even artists. However, with time, the advisory landscape changes, with more niche specialists specializing in different genres, periods, or new art

²¹ Denver Art Museum, "European and American Art before 1900 | Denver Art Museum," [www.denverartmuseum.org](https://www.denverartmuseum.org/en/collection/european-and-american-art), 1900, <https://www.denverartmuseum.org/en/collection/european-and-american-art>.

forms. Digital platforms and online resources have made access to information a democracy for advisors and clients²². Market data, auction results, and access to international networks of artists and galleries have changed the business itself. Clients demand transparency and partnership with service providers; therefore, they use innovations to meet market requirements while overpowering competitors.

Essential Functions and Players:

Art advisory services comprise many functions that constitute holistic support offered to collectors, institutions, and artists. These functions have grown and been modified throughout history, mirroring the varied requirements of parties involved in artistic undertakings. Acquisitions and Dispositions: Art advisory essentially counsels clients on acquiring and disposing of artworks. Experienced advisors help clients choose works of art that complement a client's preferences and investment strategies that align with prevailing trends in the global art scene²³. It entails more than selecting appropriate paintings, concluding transactions, and helping in sales²⁴. Advisors play a significant role in the strategic management of art collections. These activities include, among others, logistic supervision, adequate conservancies, and a strategic long-term plan for the collection's future. In this regard, collection management goes beyond just accounting for financial costs

²² Evert E Lindquist, "Visualization Practice and Government: Strategic Investments for More Democratic Governance," January 1, 2018, 225–46, https://doi.org/10.1007/978-3-319-61762-6_10.

²³ Katherine Hebert, "How to Create a Productive Gallery - Art Advisor Partnership," Gallery Fuel, February 14, 2022, <https://www.galleryfuel.com/how-to-create-a-productive-gallery-art-advisor-working-relationship/>.

²⁴ Amy Whitaker, "Artist as Owner Not Guarantor: The Art Market from the Artist's Point of View," *Visual Resources* 34, no. 1-2 (April 3, 2018): 48–64, <https://doi.org/10.1080/01973762.2018.1435609>.

into an all-around perception that every artifact carries unique cultural and emotional values.

Art advisory services involve being informed on the existing market trends, including the market dynamics. Advisors carry out detailed reviews of the market following the growth trajectory for other markets that have the potential to affect the value of works in art collections they manage. They offer their clients helpful insights based on current market trends when acquiring new works for their collections. Art is a way of life for most clients and also an investment. Art advisors utilize a systematic approach aimed at helping clients accumulate portfolios of attractive and profitable artworks. It entails having an insight into the cycles of markets, up-and-coming artists, and the determinants of the worth of works of art.

Often, an art advisor works with dealers and institutions to prepare shows that contain works from their clients. The transactional nature of this function moves beyond the conventional advisors's role, where they influence the narrative regarding a collection or an artist. By strategically placing artworks in various exhibitions, the collector contributes to the cultural discourse and adds to their and the artist's visibility. As diverse as their roles, there are multiple players in the art advisory sector. Despite this, other advisors, like individual advisors, boutique firms, and established auction houses, have grown in their advisory functions—high-end art advisors like Lisa Shaff and Allan Schwartzman command respect in the art scene²⁵. Digital platforms have emerged for linking art advisors and buyers, thus opening

²⁵ “The Advisory Team at Schwartzman & Associates,” Schwartzman&, accessed November 30, 2023, <https://www.schwartzmanand.com/team>.

access to art advisory services to more people. Today, Galleries serve the purpose of exhibition spaces and as advisors. Such galleries as Gagosian and Pace utilize their competence and contacts to offer consultancy work, which goes hand-in-hand with their displaying projects. The art world's different components also connect, such as galleries and advisory services, whose relationship is symbiotic.

Ethics in the art market

General Ethical Issues in the Art Market:

Ethics can rear its ugly head in the market like everything else involving financial transactions, relationships, and market valuations. Transparency is one of the most significant aspects of overall ethics. Secrecy about the prices, origins, and complex net of transactions forms a favorable ground for ethical transgressions. It is not uncommon for buyers and sellers to encounter a terrain in which previously hidden information may significantly impact an artwork's appraisal. Authenticity remains a pressing ethical issue that deals with the proliferation of forgeries. The increasing demand for high-value art enhances the opportunity to produce and sell fake items. It doesn't just endanger the financial investments of collectors but also generates doubts regarding artistic heritage preservation. In this regard, ethical obligations encompass duties undertaken by different stakeholders, like art advisors, and ensure that due diligence is made on the work's authenticity before any transactions are authorized.

Another ethical question is looting and the illegal art trade. The restitution of artworks seized during war and returned after the end of hostilities has been a traditional battleground in the art market. Provenances

are often questioned, and controversies arise about whether these pieces belong to the institution, how the institution acquired the details, and the corresponding historical injustices. As intermediaries between artists, art collectors, or dealers on the one hand and buyers, end-users, or museums on the other, art advisors must also ensure due diligence in conducting thorough research about the history of particular works and prevent the circulation of cultural heritage. The art market has other ethical challenges, such as market manipulation and insider trading. Some dealings are secretive and involve powerful characters whose insider information may be used selfishly. It compromises the market, creates a distrustful environment between participants, and results in unfairness to the less informed purchaser or vendor.

Specific Ethical Challenges in Art Advisory Services:

Ethics of the market at the crossroads of business and creativity—the specifics of art advisors are related to economic ethics, which directly affect the clients, the artists, and the market of culture in general. However, conflicts of interest—an evergreen issue—develop when advisors must choose between advising finance or upholding the artistic value of the products they recommend. Ethical challenges arise when there is an opportunity for monetary gains, which may influence impartiality and transparency in advisory practice. The art advisory field, however, is characterized by openness and disclosure since it dramatically depends on maintaining high ethical standards. However, some interrelated connections between advisors,

galleries, artists, and collectors are not transparent²⁶. In this regard, advisors must be honest in their dealings with clients by informing them of the reasons behind any advice they give, the commissions that accompany it, and some pitfalls of such recommendations.

Duty of care and fiduciary responsibilities arise in client relationships and ethics. When giving advice, advisors have a duty of care to act in the best interest of clients and other stakeholders in the industry. It raises ethical questions about the advisor's responsibility for narrative construction as it relates to an artist's financial and cultural trajectory²⁷. Art advisors have a unique moral obligation regarding authentication problems. Besides this, the authenticity of artworks is essential because of monetary issues and the conservation of traditional heritage in every painting. Advisors need to take the utmost care while verifying the credentials as far as provenance and authenticity are concerned and ensure that there is no circulation of fraud on the part of the art world.

Influence and Power Dynamics in the New York Art Advisory World

Power Structures:

It is essential to bear in mind the intricate web of power dynamics that underpin the New York Art Advisory world situated at the intersection of art, economics, and culture within which the global art market operates. These power structures are essential for understanding the nature of interactions

²⁶ Ted O'Callahan, "Shining a Light into the Black Box of the Art Market," Yale Insights, November 30, 2023, <https://insights.som.yale.edu/insights/shining-light-into-the-black-box-of-the-art-market>.

²⁷ Hannah Wohl, "Creative Visions: Presenting Aesthetic Trajectories in Artistic Careers," *Poetics*, April 2019, <https://doi.org/10.1016/j.poetic.2019.03.003>.

among stakeholders, various institutions, and artists in determining policy choices. Power relations have been closely linked with galleries that act as art trade centers. The art world hierarchy puts highly established galleries such as Gagosian and Pace at the top because they have funds, images, and international connections. It enhances them as tastemakers whose abilities extend to showing and representing famous artists, leading in trend-setting and defining collectors' choices. They are referred to as "mega galleries." Their dominance within the gallery system affects the exposure of their artists to potential buyers and collectors, in particular, of their works.

Sotheby's and Christie's auction houses are significant players in the art advisory scene. As arbitrators, they facilitate major deals, set market standards, and attract international buyers²⁸. In the context of these auctions, the art advisors have to deal with the inherent power relations in these houses. These power relations influence public perceptions of markets and the monetary course of events in specific works of art. However, smaller players such as independent advisors and boutique firms also contribute to a more decentralized pattern of political power. They might have fewer assets than the major galleries and auction houses, but their strengths are flexibility, personalized service, and sometimes specialized expertise. They are using such relationships to challenge the conventional power structures in the art market through the adoption of an independent advisor who moves on with flexibility and subtleness in the art market.

²⁸ Tim Schneider, "Goodbye Art World, Hello Art Industry: How the Art Market Has Transformed—Radically—over the Past 30 Years," *Artnet News*, November 26, 2019, <https://news.artnet.com/market/how-the-art-world-became-the-art-industry-1710228>.

Influence on Decision-Making Processes:

Power relations greatly influence decision-making processes at different levels in the art advisory world in New York. Understanding what kinds of decisions are affected by those dynamics regarding acquiring, selling, and careers allows a glimpse into how the art advice market works. The impact of galleries and auction houses is apparent in acquisitions. Given this scenario, advisors suggest artworks produced by galleries' respective artists, which serves the gallery's interest but perpetuates existing power dynamics. The auction houses, together with their open sales markets and visibility in marketing, make it easy for advisors and collectors to be influenced by a particular piece of artwork, which is seen to be moving according to what the influential galleries have established.

The relationships among advisors and the advisory world also contribute to the strategic choices that the advisors make for their clients. Prominent advisors with many contacts recognized in the industry also have the power to shape market trends by backing certain artists or movements. The impact also influences the prices of artworks, where advisors associate their influential affiliations to form a basis for setting market benchmarks. Art advisors have a bearing on artists' career progression²⁹. Representations also play decisive roles in showing the art and how it is connected to markets through affiliations with galleries and other strategies curators apply toward exhibitions.

²⁹ Wioleta Kucharska and Piotr Mikołajczak, "Personal Branding of Artists and Art-Designers: Necessity or Desire?," *Journal of Product & Brand Management* 27, no. 3 (May 14, 2018): 249–61, <https://doi.org/10.1108/jpbm-01-2017-1391>.

Power relations prevalent in the art advisory domain affect decisions regarding cultural narratives and the creation of an artistic legacy. Most advisors and prominent figures participate in debates focusing on artists and their works of art. Regarding broader cultural understandings, their selections to promote particular narratives and support other specified artists lead to different conclusions. Information democratization and digital platforms provide yet another dimension to power relations. Online influencers, critics, and media can also amplify emerging artists. It will cause the traditional power structure to come down and can even introduce other narratives. With this shifting of balance, some power is available to diversely informed views, which can then impact policy formation processes.

Previous Studies on Ethical Dilemmas in the Art Market

Existing Research and Studies:

However, as researchers and scholars have discovered, there are complicated elements in the meeting place of business and culture, which has led to a greater focus on the ethical aspects of the art market. The present research offers a better understanding of the complex ethics surrounding participants such as artists, collectors, and museums engaging in the murky terrain of the modern art trade³⁰. There have been studies of everyday ethics within art markets and society. Concerning transparency issues, some studies highlight the importance of prices, provenance, and details on transactions that would be more accessible to investors. These areas are shrouded in mystery, creating favorable grounds for unethical activities. Scholars have

³⁰ Gurney, J. , “Art History 101: A Guide to Modern Art Movements,” Artsy, April 19, 2019, <https://www.artsy.net/article/art-history-101>

recommended ways to increase transparency, including standard information reports and a stricter set of disclosures.

Another critical focus for research is authentication issues and their repercussions on the authenticity of the art market. These studies cover topics ranging from the nature and extent of forgeries to the techniques applied in authenticating artworks and the specific responsibilities of stakeholders, such as art advisors, among others, towards ensuring that the validity of the painting is not questioned at any time. This study contributes to the contemporary debate concerning protections for the cultural and financial rights of collectors and protecting the legacy of authors. Power relations within the art market are examined as an essential element of ethics concerns—research on how galleries, auction houses, and art advisors affect decision-making processes. Power relations between these crucial players and how they affect artists, collectors, and art economics have been scrutinized to illuminate the moral dilemmas of such unbalanced configurations. In summary, this piece of literature provides a complete insight into how influence affects ethics in art advisory.

The same has gone a step further, and studies have investigated the ethical dilemmas of various art advisors. As a result, conflicts of interest have been considered a recurring theme for analyzing the moral tightrope between protecting financial claims by advisors and art on its own. Art advisors can use research based on some researchers who have conducted case studies in the real world.

Although plenty of literature exists in this regard, you can not say it is complete. The ethics associated with the art world continue to change as time

progresses. However, researchers who recognize the fluid aspect of ethical concerns call for continuous inquiry and adaptability since everything changes under these constantly changing circumstances.

Gaps in Understanding Ethical Dimensions:

Existing studies on ethics in the art market inform us a lot; however, some gaps suggest research needs to be done. A notable shortcoming can be observed in how it views ethics issues around new information systems, including applications³¹. Contemporary ethical issues arise with the emergence of online art marketplaces, blockchain in record keeping, and artificial intelligence-driven valuation tools. Another field that demands more research is the ethical responsibilities of collectors, which are an essential component within the art market ecosystem. Most analysis has been based on the role of galleries, auction houses, and art advisors, which has resulted in gaps concerning how a collector operates through certain ethics, acquisitions, and their contribution to shaping ethics in a marketplace.

Art and money are still unclear, demanding further investigation. The financialization of art raises ethical issues associated with investment, speculative behavior, and the exploitation of artworks as commodities. Such research will help fully understand the ethics involved in those financial aspects. Furthermore, cultural and general issues that ethics entail in the art market should be addressed in detail. To understand globalization's inherent complexity, research on how different cultures, overseas collaboration, and varying regulatory systems influence ethics can enrich this process.

³¹ The Gallery Guide, "The Auction Collective," The Gallery Guide, accessed December 2, 2023, <https://www.thegalleryguide.co.uk/galleries/auction-collective>.

Gaps in the Existing Literature

Identified Gaps

While the literature on ethical issues in the arts industry is instrumental, it does exhibit noticeable omissions, and more research needs to be done in this area. It is evident in a case where the art sector intersects with technology, specifically issues surrounding ethics caused by digital media, blockchain, and artificial intelligence. These technologies have a transformative effect on the art market, which poses questions about transparency, authenticity, and democratization³². However, most of the relevant literature fails entirely and sufficiently to tackle the new ethics arising from this digital frontier in terms of understanding its impact on the art advisory domain. The other central space that needs to be filled is a critical evaluation of the moral obligations of collectors in the workings of the art market. There have been a lot of debates on the ethics involved in galleries, auction houses, and advisors. Still, few talks are about collectors' role in decision-making and practice issues. Understanding how ethics play out within collectors, their role in cultural protection, and their influence on fairness is an integral part of the overall consideration of the ethical environment.

The literature still needs to explore the cultural basis of ethics in the art market. The ethical issues surrounding an international art market are complex, as different sets of regulatory frameworks and various players engage in these operations. These studies explore how cultural variance,

³² Zaf Chow, "Part 2: Impact of AI Art on the Art Industry," Medium, August 23, 2023, <https://zafchow.medium.com/part-2-impact-of-ai-art-on-the-art-industry-26d2cee77263>.

contradictory views about ownership, and foreign partnerships influence ethics within the worldwide arts trade. Besides this, the literature on the financialization of art and its ethical dimension is void. The ethical issues about investment and market speculation regarding art as a financial asset must be addressed. Understanding should help articulate the ethical considerations to formulate ethics that appropriately handle the art sector's modernization issues.

Importance of Addressing Gaps in Ethical Understanding

Several reasons necessitate addressing the highlighted gaps in the available literature regarding the ethical issues involving art advisory services and the broader art market. The first fact is that quick technological involvement in the art business requires a look at the moral aspects involved³³. Despite offering a way for digital platforms, blockchain, and artificial intelligence to redefine industry practices, they pose an array of ethical issues, as noted above. Filling this gap in scholarship is a significant step towards establishing ethical standards and good practices for ethical conduct on social media. Equal importance lies in comprehending the moral obligations of collectors. Collectors serve as critical actors in the art market by shaping demands, setting trends, and adding to the stories about art pieces. This research would provide valuable insight into how collectors negotiate ethical acquisition decisions and set ethical standards in the market. Knowledge is essential to enhancing an honest and open art space.

³³ Theodore Soliman, "Digital Commons @ SIA Digital Commons @ SIA MA Theses Student Scholarship and Creative Work 2020 Relational Accountability in the Art Business : A Study of Ethics Relational Accountability in the Art Business : A Study of Ethics," 2020, https://digitalcommons.sia.edu/cgi/viewcontent.cgi?article=1083&context=stu_theses.

The multiculturalist approach to ethics in an art market would assist researchers in creating inclusive ethnic perspectives on which ethical structures could be based upon allowing a liberal art industry, where art is appreciated equally per each culture. The financialization of art is grave since it needs a complete account of ethics to be made. Knowing the ethics of skill helps avert various market speculation risks, promote sound investments, and protect artistic integrity. Principles of ethics may be developed based on such research by balancing the economic aspects and the cultural elements of today's art market.

3. Methodology

Research Reviews

Selection Criteria for Reviewed Sources

This article uses qualitative research to review previous literature on ethical challenges in art consultancy, especially in New York. Source selection follows high standards to guarantee the reliability, appropriateness, and thoroughness of the information obtained. They comprise first-class sources, which are peer-reviewed academic journals. Scholarly articles published in prestigious journals lay the theoretical basis for thoroughly examining an art advisory service's ethics³⁴. It makes sure that the data synthesis used in this study is reliable and has an academic nature.

Moreover, monographs and books penned by experts provide the theoretical basis for the study. They are chosen due to the knowledge and prestige of the author and following a specific study framework. In addition, the reviewed sources include reputable art magazines, industry reports, and online art analysis platforms. Some consider the modern aspect of the art advisors' market in terms of current tendencies, exciting cases, and professional dilemmas. The addition of industry reports provides additional empirical evidence to supplement the academics' opinion.

Analysis of Existing Literature on Ethical Dilemmas in Art Advisory Services:

A thematic approach to reviewing the literature on ethics in art advisory services leads to a more profound appreciation of the issues. Among

³⁴ Agus Budianto, "Legal Research Methodology Reposition in Research on Social Science," *International Journal of Criminology and Sociology* 9 (December 1, 2020): 1339–46, <https://doi.org/10.6000/1929-4409.2020.09.154>.

them, themes on conflict of interest, transparency, dealing with clients, and the effect of advice decisions on artists' careers will be identified and analyzed across the selected sources³⁵. The second step is undertaking trend or pattern analysis using all the available literature in this field. The research aims to weave together common threads while acknowledging divergent perspectives to create a unified story encompassing the multifaceted character of ethical dilemmas within the New York art market. Such comparative analyses help us understand the overall field better by comparing different ethical frameworks proposed by authors.

Identification of Key Players and Trends in the New York Art Advisory World:

A triangulation approach is used to identify the major players and trends in the art advisory world around New York. It entails checking facts from scholarly books, market research findings, and known art journals. In this regard, key players mentioned regularly across the cited sources include leading consultancy companies, individual advisors, and significant institutions. It also hopes to unveil trends in the New York art advisory realm. It follows directions in the advisory practice, current moral issues to be considered, and the changing place of an art advisor within a constantly transforming economic environment. Analysis of trends adopts historical and contemporary approaches to holistic evaluation of art advisory in New York.

³⁵ Dr Alok Gupta and Nitin Gupta, *Research Methodology, Google Books* (SBPD Publications, 2022).

4. The art advisory world of New York and its ethical dilemmas

An Overview of Ethical Issues

Conflicts of interest

A chronic ethical issue in art advisory services is conflicts of interest. Being an intermediary among the artists, galleries, and collectors automatically makes them susceptible to scenarios where the drive to make money will collide with upholding creative integrity. Conflicts may occur whenever advisors recommend pieces that serve their clients' fiscal interests while not necessarily depicting genuine aesthetic attributes. The art advisors working with muscular galleries and auction houses are subjected to even more scrutiny on the issue of conflict of interest. These entities can determine a specific advisor's recommendation or even influence them towards biasing for specific works they represent in the institution. Striking the right balance between the conflicting interests in this regard means maintaining impartiality and transparent practice in advisory services with consideration for the client's financial needs and the artistic integrity of recommended art.

Transparency and Disclosure:

Art advisory ethics and principles include transparency and disclosure. Advisors, galleries, artists, and collectors together form a network with many nontransparent practices that may negatively influence the authenticity of the whole market. Advisors might compromise transparency by choosing not to declare their associations, objectives, and possible discrepancies of interest³⁶. Transparency also involves disclosing commissions in financial arrangements

³⁶ Amitai Etzioni, "The Limits of Transparency," *Springer EBooks*, January 1, 2018, 179–201, https://doi.org/10.1007/978-3-319-77161-8_9.

between advisors and dealers. Clients should be fully informed of the financial inducements, which can cause an advisor's biased recommendations. Failure to declare this information can undermine trust and destroy the moral underpinning of advising relationships. Transparency demands a degree of honesty regarding information sharing and enables clients with enough power to have an understanding before purchasing art collectibles.

Client Relationships:

Duty of care and fiduciary responsibility relating to client relationships are aspects of ethics that art advisors will scrutinize. An advisor should consider their client's best interests and the broader consequences for an art ecosystem. The advisors' decisions affect artists' financial and cultural courses, asking about the ethic of advisors' imitation in story-telling about artists' careers. One of the critical areas of ethics relates to balancing financial interests with artistic integrity between practitioners and clients. Since advisors have a bearing on the course that an art career may take, they must consider possible tensions between promoting the interests of their clientele and protecting genuine forms of artistic expression that are representative of the artists. These counselor choices create ripples within the cultural milieu, defining the artist's status and dictating the societal conversation.

However, ethically speaking, the NY art advisory world has been characterized by conflicts of interest, challenges of transparency and disclosure, and complex issues arising from client relationships. It calls for honesty, fair-mindedness, and accountability in managing the people's cultural

endowments³⁷. As intermediaries in the art market, art advisors should be at the forefront of creating an ethical framework to address these challenges so that it can retain its vigor and purity within the New York art scene.

Case Studies

Examples from the New York Art Advisory World

The Gagosian Influence

Art advisory work in New York's complicated terrain may become significantly involved ethically against the powerhouse galleries, for example, Gagosian. Notably, Gagosian, one of the most popular galleries in the world, with operations spanning numerous jurisdictions, sells works and provides advisory services. It means, for instance, that the art advisor who works for Gagosian makes recommendations on behalf of his client. Therefore, this presents an ethical crisis on how to deal with conflicting interests. The prestige of the art dealer Gagosian can affect the content of the advisors' advice, leaning toward the artworks offered by the gallery. Indeed, such a situation brings into question the independent advisors's power to objectively counsel and the compatibility of financing issues toward the gallery's benefit. However, it should be gently counterbalanced with the requirement of transparency, which will require educating the client on such possible influences.

Lisa Schiff's Impact on Artists' Careers

Analyzing the career development of artists under Lisa Schiff's advice reveals the moral issues of formulating artists' stories. Schiff is a powerhouse

³⁷ Forge NYC, "Forge NYC | Arts Consulting & Development | New York," ForgeNYC, accessed December 2, 2023, <https://www.forgenyc.org>.

and very influential New York art advisor who has to make difficult decisions as she juggles between promoting the interests of her clients and preserving the artistic integrity of the artists she represents. It creates a dilemma on how to counsel a client on acquisitions that could affect an artist's career³⁸. As a result, if Shaff only determines what qualifies as the right works depending on the market trend, financial considerations, or even political preferences, then the genuineness, uniqueness, and relevancy associated with particular art objects may be undermined through such practice. It is not easy to balance between clients' profit and responsible control over the artists' careers, so ethical considerations should be considered if the art field stays dynamic.

Provenance Predicaments

Questions of source and provenance pose moral problems in the New York art market. For instance, a client might seek to purchase a painting with a complicated origin and need some advice from someone like an art advisor. The artwork's provenance raises issues with its authenticity and links to illicitly obtained or missing pieces. The advisor has a double-barrel ethical challenge. However, it's imperative to ascertain the artwork's authenticity so that the client can avoid finding themselves with a problematic piece of the painting. There must be transparency, and there must be enough of that when navigating provenance challenges. However, advisors must balance the client's financial interests with preserving our cultural heritage. This case highlights

³⁸ Anny Shaw, "How Lisa Schiff Is Disrupting the Art Advisory Business," Financial Times, April 26, 2019, sec. FT Globetrotter, <https://www.ft.com/content/cbedaaa6-5f82-11e9-9300-0becfc937c37>.

the more extensive ethical obligations that advisors have to uphold the integrity of art markets.

Analysis of the Ethical Challenges Faced by Art Advisors:

The case studies illustrate some of the many ethical dilemmas art dealers face in the New York art market. Generally, all these situations have the same underlying theme of balancing interests in wealth creation while protecting inheritance. Advisors need to deal with conflicts of interest openly and transparently. These involve some necessary complexities in their management, following affiliations with famous galleries or Gagosian³⁹. As such, increased transparency and disclosure towards clients' decision-making processes about purchases of artwork becomes necessary, taking into consideration potential influences from these partnerships. While it discusses art advisors and artists, this issue raises ethical issues related to more enormous cultural storytelling. The task for advisors, mighty ones with immense impact, is defining the direction for the artists they work with. It entails non-financial decisions to maintain the originality and essence of the portrayed art. When it comes to ethics, it is all about striking an equitable balance between respecting clients' finances and the inherent worth of art.

The provenance dilemma highlights an obligation of the art council regarding the authenticity of works of art. Good faith must be applied when dealing with problematic items involving provenance issues for looted or stolen pieces. These include advisors who prevent the spread of counterfeits

³⁹ Alex Glauber, "Art Advisors Should Add Value to Collecting, Not Extract It," ARTnews.com, June 7, 2023, <https://www.artnews.com/art-news/opinion/art-advisors-should-add-value-to-art-collecting-not-extract-it-1234670525/>.

and those who assist with the sound management of cultural wealth. Thus, these case studies offer an insightful analysis of the ethics of art advisors in the New York City art advisory arena. Transparency, due diligence, and integrity are at work in dealing with conflicts of interest, guiding artists' careers, and overcoming provenance problems. Examining such real-life cases, we understand the ethics of art advisory practice and the complexities of New York's art market.

5. Influence and Power Dynamics

Role of Influence in the Art Market

Regarding art advisory in fluid New York markets, influence becomes a critical asset guiding choices and deals. The impact is essential in this interlinked circle of art advisors, galleries, collectors, and institutions. To comprehend the complex power dynamics related to the art advisory world in New York, one must first understand the concept of being an influencer⁴⁰. Dominant agency influences in the art market primarily emanate from powerful institutions such as renowned galleries, trustworthy auctioneers, or well-known advisors on art. Such include agencies of change that shape narratives about artists and their artworks, define patterns in the market, and ultimately dictate prices. The impact of advisory services is determined by influence, too. The behavior of the art market is affected by decisions such as those whose recommendations are advised by advisors for the career choices of the artists. It also influences collectors' choices.

Power Dynamics Among Art Advisors

One of the salient features of the New York art advisories is the power relations among art advisors. The advisors also possess some strength, making them fierce competitors for clients, exclusive artists' works, and affiliation with some high-end galleries, thus resulting in a vertical order of stronger and weaker ones. It leads to issues of bias, which violates some notions of what is called fair trade or even possible bribery. Clients might take art advisors

⁴⁰ Xiaowen Zhang, "The Value of Arts and Its Force: The Artistic Value and the Art Market," www.atlantis-press.com (Atlantis Press, January 28, 2022), <https://doi.org/10.2991/assehr.k.220110.140>.

associated with reputable commercial galleries, such as the Gagosian Art Advisors, or known connections with significant auction houses more seriously because of their institutions' credibility. This influence can make the consultant give more recommendations to the client, which may lead them to do something their represented organizations are involved in. These power dynamics must be managed to lead to the ethical and equitable delivery of advisory services to clients, who could be disadvantaged for associating with such institutions or organizations.

Impact on Decision-Making Processes

Art advisors and other influential entities greatly influence their decisions within the art advisory world. Indeed, collectors depend on advisors' expertise to make correct purchases, while advisors can affect an entire art market trajectory. It reveals itself in various crucial features regarding its impact on decision-making processes. Advisors may opt for specific artworks due to their connections with an institution, existing personal relations, or market trends. Advisors may have biased power dynamics that favor detailed artwork because it is linked to or associated with a higher class, status, or wealthier individual. This influence affects the formation of art collections, affecting some visual artists' popularity and market worth.

Influential advisors are also able to establish trends in the market. Such recommendations by influential figures can also result in a ripple effect in the market, especially where they relate to particular artists or art movements. The transformation of art advisory services has significantly evolved, starting with the mid-20th century with influential figures like Leo Castelli and continuing to the present with the emergence of specialized entities such as Gagosian Art

Advisory and Lisa Schiff Art Advisory⁴¹. The collectors and some advisors follow this lead and thus determine a general pattern regarding the market.

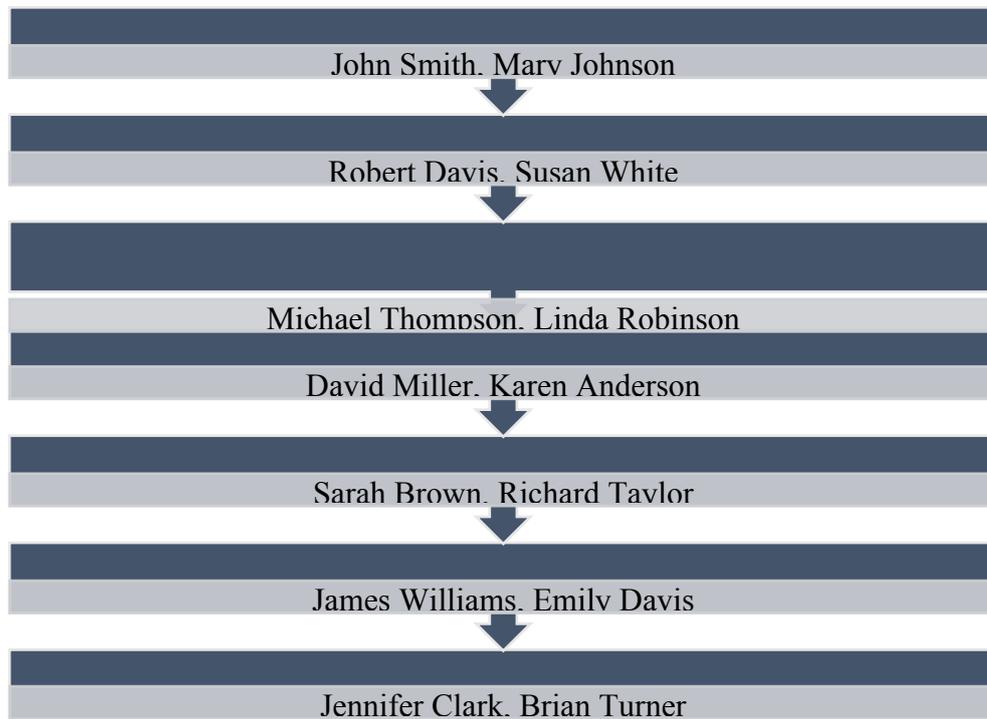


Figure 1. Influential Figures in the Evolution of Art Advisory

However, in terms of ethics, this impacts decision-making processes. Ensuring due diligence in the advisory function is challenging to safeguard fair competition, transparent disclosures, and a proper business ethos to promote the required standard of conduct. Clear guidelines and ethics should be in place to help prevent the ill effects of undue influence.

⁴¹ Richard Prince, “Inside Gagosian Art Advisory with Its Director Laura Paulson,” *Artsy*, June 23, 2021, <https://www.artsy.net/article/artsy-editorial-inside-gagosian-art-advisory-director-laura-paulson>.

6. Today's legal situation is pertinent to Lisa Schiff.

A Brief Overview of Lisa Schiff's Involvement

Lisa Schiff is well-recognized in the intricate weave of New York's art advisory industry at the junction between art and commerce. Passionate about the arts and knowledgeable of the markets, Schiff's career in art advising has received great reviews and legal scrutiny of late⁴². Lisa Schiff's journey into the land of arts advisors begins with her love of art, creativity, and emergent talents. Due to her scholarly education and experience as an art historian, Schiff had an in-depth understanding of the origins and purpose of art. It provided a perfect foundation leading into the art advisor's field. She worked at prestigious galleries in her early career, obtaining the necessary experience and understanding of art world mechanisms. The hands-on involvement transformed her into an informed person and a connected New York art arena insider. Eventually, Schiff gained a reputation that transcended her ability to navigate through the complexities of the art world to a point where people regarded her as an accomplished businesswoman.

Art Advisory Activities

Lisa Schiff's art advisory activities are characterized by a multi-pronged strategy to support artists and cater to her clients' unique requirements. Additionally, Schiff offers other advisory services, such as strategic advice on acquisitions, collecting, and handling problems associated with art markets. It is important to note that Schiff is one of the significant

⁴² Kabir Jhala, "Eye-Opening Filings in Lisa Schiff Lawsuit Reveal Dozens of New Claims and More than 100 Missing Works," The Art Newspaper - International art news and events, August 24, 2023, <https://www.theartnewspaper.com/2023/08/24/lisa-schiff-court-documents-dozens-new-claims-hundreds-missing-works-sfa-advisory>.

agents linking newcomers with astute buyers. She has identified and connected promising talents in different fields of the arts, which have shaped artists' careers and formed substantial art collections. Her advisory activities have always reflected her commitment to building a diverse and stimulating art world.

Current Legal Situation

Lisa Schiff's legal situation adds a sophisticated assessment dimension to New York's art advisory business ethics. The legal status is based on accusations of irregularity, possible conflicts, and issues regarding the openness of particular art deals. The moral issues are brought to light by the legal challenge Schiff poses. Such aspects include conflict of interest, lack of transparency, and possible impacts on artistic careers. Such legal scrutiny against Schiff indicates that rules must control such practices in this sector. Otherwise, ethics in this area are in doubt. It can be explained by the example of Lisa Schiff, who showed how people in the art industry often have to choose not only for money but also to save cultural heritage. Transparency, ethics, guidelines in the field, and all other considerations affecting the sustainability of New York's marketplace integrity are highlighted in this report.

Summary of the Current Legal Situation

Legal Issues Faced

Lisa Schiff, one of the outstanding art advisor personalities in New York, is trapped in a complicated set of cases, causing a dark spot on her reputation, which was formerly immaculate. The kinds of allegations that confront her touch on her business credibility as well as more significant

ethics questions in the art advisory profession. Art-related irregularities form one of the critical legal issues that Schiff faces. The alleged facts portray opacity in some deals, raising doubts over disclosing the financial arrangement and the possibility of conflicts⁴³. Ethics in the art market usually entail significant monetary sums; therefore, disclosure becomes essential for art advisory.

The legal scrutiny of Schiff is centered around conflicts of interest. The fact that she has a connection to big galleries and institutions raises concern about her influence over such recommendations. In addition, it worsens the demand for detailed directions in handling conflict situations so that clients obtain impartial guidance. It also deals with claims about how advisory choices affect artists' careers. In some quarters, the question has been raised as to whether Schiff's recommendations were only based on market trends and finances, leaving out the actual value of the works of art regarding artistic expressions and culture. It implies that advisors play a broader role in influencing artist development pathways within the art market.

Additionally, the legal implications surrounding Lisa Schiff raise queries regarding proof-checking and verifying paintings. Provenance and provenance are key factors determining most artwork's value and authenticity. This element of the legal context highlights an ethical necessity for art advisors to exercise the utmost care in proving the piece is original before recommending it to clients.

⁴³ Kimberly Babin, "Ethical Considerations for Attorneys When Working with Artist and Art-Market Participants," Center for Art Law, October 30, 2023, <https://itsartlaw.org/2023/10/30/art-law-ethics-ethical-considerations-of-attorneys-when-working-with-artist-and-art-market-participants/>.

Implications for the Art Market

However, the implications of this case go beyond the point itself and raise several important questions in relation not only to the New York art market but also to the ethics code relevant to all future instances in which art advisors can be involved. The first is that legal scrutiny inculcates some caution when engaging collectors and offering advice concerning specific works of art. Trust between art advisors and their clients is essential to developing a successful art advisory relationship. However, it will generate a meticulous client requiring more transparency, disclosure, and ethical demands when demanding advising services. Lisa Schiff's reputation affects other members of this profession⁴⁴. The industry has influential figures acting as a measure of ethics, and once these are compromised, the trust upon which an art market is based disintegrates. Thus, the legality issues arising from Schick invite general discussion on the ethics of art advisory and the desiderata for the system in question.

Legal circumstances also highlight the importance of regimes in place and professional standards in the art of advising. Establishing clear guidelines and ethics can help advisors navigate a complicated moral landscape and cultivate a climate of honest business conduct. With this in mind, the industry may renew its focus on developing and embracing the same standards to prevent upcoming legal traps. The case of Lisa Schiff reveals that in the art market, financial interests are not always tied to integrity.

⁴⁴ Eileen Kinsella, "Prominent Art Advisor Lisa Schiff Has Been Hit with a Second Lawsuit, Alleging She Embezzled Nearly \$3 Million," *Artnet News*, May 19, 2023, <https://news.artnet.com/news/prominent-art-advisor-lisa-schiff-has-been-hit-with-a-second-lawsuit-alleging-she-embezzled-at-least-3-million-2305823>.

Comparison with Other Legal Cases in the Art Advisory Industry

Similar Cases and Their Outcomes

It is not an isolated case that Schiff Lisa undergoes legal challenges in the New York art advisory world; the industry always seems subject to some form of legal scrutiny. Examining other situations related to ethics in art advisory and learning from them can help us identify recurring issues related to ethics in this sector. There is one prominent example that relates to Schiff's case, including charges of corruption and opacity in artwork sales. A situation involving an art advisors working for one of the most extensive galleries and facing prosecution because he recommended paintings that did not serve the client but appeared to benefit the gallery⁴⁵. This verdict demonstrated the importance of transparency and disclosure as a necessary component of good business practice in art advisory⁴⁶. Art authenticity issues and liability for the advisor's act to provide true works of artwork were another issue. Claims also emanated that one of the advisors advised the client to purchase the disputed art object whose provenance was highly suspicious, prompting due diligence issues or the damage inflicted on the client's investments. It stressed tight authentication protocols and due diligence for clients against purchasing works whose provenance is dubious.

Interestingly, there were instances where art advisors were sued over their involvement in developing artists' careers. Advisors prioritized financial

⁴⁵ Maizels, Michael W., and William E. Foster. "The Gallerist's Gambit: Financial Innovation, Tax Law, and the Making of the Contemporary Art Market." *Columbia Journal of Law & the Arts* 42 (2018): 479.

https://heinonline.org/HOL/LandingPage?handle=hein_journals/cjla42&div=33&id=&page=
⁴⁶ Halperin, Julia, and Javier Pes. "Can Museum Curators Ever Moonlight as Art Advisors without Corrupting Themselves." *Artnet News*, 2017.
<https://authenticationinart.org/pdf/artmarket/moonlighting-as-expert.pdf>.

matters instead of the authentic artistic expression of the represented artists, and this practice possibly injured the reputation of these artists. These results led to an examination of the professional responsibilities of advisors regarding how they impact artists' careers in the art market. The legal implications have varied significantly depending on the outcomes. In some instances, settlements were reached with the payment of damages to harmed customers, whereas in other occurrences, disciplines within the art of advisory practice were implemented. Details in every case draw attention to this problem with moral aspects in business and constant self-reflection within the arts field.

Lessons Learned from Legal Cases:

These legal suits help provide additional insight into ongoing efforts to improve ethics in the industry. It constitutes general principles upon which art advisors and the broader market should strive towards ethical and responsible dealing. The main lesson that is repeated in legal cases is the need for transparency. Trustworthiness between art advisors and clients necessitates transparency about financial agreements, affiliations, and decision-making processes. Transparency is essential when discussing many legal cases stemming from disputed activities⁴⁷. The industry understands that transparency and openness in dealing constitute any advisory relationship's most valuable asset. Art advisors are regularly caught up in legal battles over conflicts of interest. The lessons stressed the necessity of caution when advising through those conflicts. It is essential to set up and follow up on

⁴⁷ Andrew D. Selbst et al., "Fairness and Abstraction in Sociotechnical Systems," *Proceedings of the Conference on Fairness, Accountability, and Transparency - FAT* '19*, 2019, <https://doi.org/10.1145/3287560.3287598>.

issues concerning conflicting interests, disclosure of association, and ensuring the recommendation meets the client's objective, not institute concern. Cases of a legal nature also warn industries on how not to handle conflicts of interest.

Rigorous due diligence is essential in authentication challenge cases. It is where advisors assume a critical role in authenticating and proving the origin of artwork that a client has suggested. Authentication lapses have legal implications. Thus, advisors ought to protect their clients against acquiring doubtful artwork. Investment of time in thorough authentications has become a requirement for the art advisors industry⁴⁸.

Regarding advisory decisions in artists' careers, legal cases show the subtlety of financial aspects versus art. However, advisors are now more aware of how recommendations impact the cultural narrations of artists. These lessons underscore the importance of providing an authentic art voice to supported artists, ensuring a lasting art environment. Legal cases in the art advisory industry reinforce the need for an industry-standard framework. It makes the profession more accountable and answerable regarding issues like conflicts of interest, transparency, and ethics. Legal cases have taught us that preventive strategies like self-regulation and ethical compliance should be pursued to avoid future legal hiccups.

⁴⁸ Visual Artists Association, "Why Every Artist Needs a Certificate of Authenticity," Visual Artists Association, September 18, 2020, <https://visual-artists.org/resources/certificate-of-authenticity-template/>.

7. Mitigating Ethical Dilemmas

Best Practices for Art Advisors

Ethical Guidelines

Art advisors should observe strict codes of honesty and transparency to avoid misleading clients in the very complex art market of New York. There needs to be more than just promising client's adherence to ethics in art advisory. It also contributes to the proper promotion of the art advisory industry." The ethical guidelines on advisory services should focus much on transparency throughout all the transactions. It entails giving specific information on financial obligations, involvement with galleries or institutions, and any conflict of interest that may arise. Open communication is critical in building an ethical relationship with clients that involves open participation. Art advisors require meticulous research in authenticity and proof of origin. The advisors must conduct a rigorous research process to ascertain that the works proposed to clients are genuine⁴⁹. The procedure involves keeping up with emerging authentication standards, conducting provenance research, and interacting with specialists to lessen the likelihood of purchasing art with suspicious origins.

The ethical guidelines should emphasize decision-making that is client-centric. External considerations should only be used as a guide for advisors' advice; the client's objectives, preferences, and long-term goals should take precedence. It ensures that suggestions match collectors' needs and wants,

⁴⁹ Lisiane Feiten Wingert Ody, "Due Diligence in Art Law and Cultural Heritage Law," *Brazilian Journal of International Law* 17 (2020): 150, <https://heinonline.org/HOL/LandingPage?handle=hein.journals/brazint117&div=71&id=&page=>

which is an ethical and personalized advisory service. Art advisory practices are based on ethics to ensure addressing conflicts of interest.

<i>Aspect</i>	Findings
<i>Decision-Making Process</i>	Art advisory practices significantly influence collectors' decision-making by providing expert guidance and insights.
<i>Role of Technology</i>	Integration of technology in advisory practices enhances the efficiency of the decision-making process.
<i>Relationship Building</i>	Art advisors play a crucial role in fostering relationships between collectors and artists, contributing to the art market's growth.
<i>Trends and Collections Shaping</i>	Art advisory services substantially impact shaping art market trends and influencing the composition of art collections.

Table 2. Analysis of Art Advisory Practices and Their Impact on Collector's Decision-Making

Policies must be created that will allow advisors to recognize and declare different conflict of interest cases. The document offers tips regarding potential compromising circumstances based on personal and organizational relationships that should be avoided when providing unbiased counsel. Proactive management of issues minimizes suspicions about the art advisor. The essence of best practices implies ongoing training as well as personal enhancement. Therefore, advisors should keep themselves in the loop regarding new ethical standards, developing market trends, and legal matters. This commitment helps advisors stay informed to handle the art market's diverse nature responsibly. Additionally, professional development occasions

offer an avenue through which advisors can interact, exchange views, and collectively participate in the ethical debate among professionals.

Strategies for Conflict Resolution

Art advisory also entails conflict resolution, which implies using approaches for equitable results while preserving client relationships and maintaining the right standing for the art market. An excellent method for settling conflicts starts by providing open communication channels for advisors and clients⁵⁰. There should be openness in advisors advising that any issues of concern and disaccord during the advisory process need to be discussed openly with advisors encouraging these discussions. Through open communication, advisors should be able to preempt and mitigate conflicts with consensus-based solutions. When disputes cannot be resolved in good faith, an independent adjudicator may suggest a solution. Through mediation, mediators can neutrally examine the situation and help the parties involved in the discourse to identify shared interests or needs. The adopted mechanism is fair, balanced, and safest, ensuring amicable conflict resolution without necessarily jeopardizing the advisor-client relationship.

Advisory ethics involves conducting internal reviews in advisory firms. Such processes may deal with conflict of interest issues or similar ethical dilemmas. In advisory firms, internal controls can be established to identify problematic situations early and develop appropriate corrections, which will help create an ethical culture of responsibility. Past experiences and conflicts are essential lessons for art advisors. Professional development

⁵⁰ Pandey, Prabhat, and Meenu Mishra Pandey, "Research Methodology Tools and Techniques," *Bridge Center*, 2021.

comes from reflecting on what worked or failed in past cases, analyzing why different parties have disagreements, and what were missed points⁵¹. Through learning from past experiences, advisors improve their conflict resolution skills and ethical practices, which are invaluable assets for future client interactions. Ethical Conflict Resolution complies with regulatory rules and industry practices. Thus, advisors need knowledge of regulations applicable to their activities, professional ethics, and industry standards. It offers direction toward acceptable moral conduct and helps resolve differences within set norms.

Regulatory Frameworks and Industry Standards

Existing Regulations

The regulatory environment is essential for ethics and interactions among advisors, collectors, and artists in the ever-changing and complex world of New York art advisory services. It is necessary to understand the current rules as they help unravel the art consulting industry's frameworks. The regulations concerning art advisory services in New York reside inside more significant art market legal norms and frameworks. Such may entail consumer protection rules, fiduciary duty requirements, and disclosures. Consumer protection legislation is intended to protect clients' interests, necessitating engagement with an art advisor and fair dealing and transparency in transactions. Art advisors are involved in financial advisory professions,

⁵¹ Johnson, M. , “The Role of Art Dealers: Past, Present, and Future Trends,” Art Business News, February 21, 2022, <https://artbusinessnews.com/2022/02/the-role-of-art-dealers-past-present-and-future-trends/>.

like fiduciary responsibilities⁵². Albeit undefined by all, fiduciary duty applies a higher standard of care and loyalty toward clients. Such art advice could also lead to fiduciary responsibilities where an art advisor has to be committed and loyal to the client.

Importance of Industry Standards

Existing regulations lay down the basics and offer foundations for ethical conduct. Additionally, industry standards guide how to act ethically and professionally as an art advisor. Considering ethics in art advisory services involves a cohesive and principled approach based on industry standards. In this respect, they reach a consensus among professionals, promoting the common notions of professional ethics in providing advice to clients, building artists' careers, and influencing the overall context of the art world. It becomes crucial in an arena that entails subjectivity, personal relationships, and confluence of market and creativity. These standards are essential in guiding professionals through the complex ethical terrain of the contemporary New York art market, including issues such as undisclosed interests, transparency, and guardianship of cultural property.

Additionally, the art advisory profession is regulated through industry standards. Advisors are required to set their standards and adhere to them. It reflects their adherence to ethics and helps enhance their reputation and trust in the industry⁵³. Such a self-regulatory approach is essential in a situation

⁵² Paul Allen, *Artist Management for the Music Business*, 2022, <https://doi.org/10.4324/9781003179009>.

⁵³ Kim Oosterlinck and Anne-Sophie V. Radermecker, "Regulation or Reputation? Evidence from the Art Market," *The Journal of Arts Management, Law, and Society*, March 3, 2023, 1–19, <https://doi.org/10.1080/10632921.2023.2172120>.

where the subtlety of the art market brings in subtle ethical issues that formal regulatory measures might miss. The acknowledgment of the mutable nature of the art market and the complex business ethics facing art advisors leads to the transition to industry standards. Limits provide the bottom line, while industry standards are more flexible and flexible enough for dynamic responses to the art world's complexity and each client's specific needs.

Balancing Regulations and Industry Standards:

A fine line exists between current laws and industry norms influencing the moral framework guiding art advisory services. Industry standards go beyond rules that establish minimum requirements, setting a high moral benchmark. It implies hitting a fine line between these elements since it aims to produce an ethically viable and sustainable art advice arena. Regulations, by definition, impose specific standards on advisors that they must observe in their activities. These are benchmarks for setting transaction rules, disclosures, and possible conflicts of interest. Art advisors are bound by law to comply; such compliance underpins the need for ethics in this field.

At the other extreme, industry standards add another dimension of moral concern above and beyond legal requirements. Sometimes, these standards are jointly set by sector professionals through industry collaboration based on their combined knowledge and practice. The term industry standard is more expansive regarding an ethics framework including, but not limited to, professionalism, disclosure, and focus on client needs. Art advisors' niche-specific challenges in the New York art market need a subtle balance of regulations and industry standards. Compliance with rules has become nothing more than the bare minimum when it comes to ethics and, therefore, have no

place in the mind of advisors whatsoever. At the same time, industry standards guide advisors, allowing them to strive for a higher moral ethic that supports the integrity and excellence of the professional art advising field.

Education and professional development

Continuous Learning for Art Advisors

Professional development rests on continuous learning for art advisors. It is important to update with what is trending in the market, legal changes, and changing ethics in an area where business and creativity interconnect intricately⁵⁴. However, the art market would flow as movements and dynamic changes occur quickly. For art advisors to continue offering quality advice to clients while remaining ethical, they need to keep educating themselves on new trends, if there are any. By its character, the art advisory profession requires a multi-disciplinary approach. The advisors traverse financial decisions, legal complexities, and the delicacy of art statements. Art advisors can only learn continuously, facing challenges across different terrains⁵⁵. These include the difficulties of advising collectors and helping the career growth of an artist.

Art advisors' education also goes beyond standard academic knowledge. Taking up cultural and social dimensions of the art world also matters. An art history advisor is in a position to give detailed and culturally informed advice on their clients' artwork. Art advisors, therefore, serve as

⁵⁴ Karen Knutson et al., "Approaching Art Education as an Ecology," *Routledge EBooks*, September 2, 2020, <https://doi.org/10.4324/9781351114035-14>.

⁵⁵ N.X Talipov and N.S Aliev, "The Importance of Perspective in Teaching Art to Future Fine Arts Teachers," *Asian Journal of Multidimensional Research (AJMR)* 10, no. 2 (2021): 97–103, <https://doi.org/10.5958/2278-4853.2021.00051.3>.

more than just market experts; they become holistic stewards of cultural respect and preservation.

Promoting Ethical Decision-Making:

An art advisor's education and professional development are essential to this process. Art advisory is a field of intricate ethics—subjective decisions and relationships⁵⁶. It gives a general overview of the ethics required during these intricacies by the advisor. Ethics related to art advisory services also involve the gray area of daily ethical decisions among advisors. Advisors are also offered an opportunity to discuss these dilemmas through professional development sessions such as workshops, seminars, and moral case studies, thus refining their ethical decision-making skills. Education is a preventive measure for avoiding unethical breaches⁵⁷. Education can be viewed as a preventative measure by educating art advisors about the ethical side of their services. They are more knowledgeable regarding ethical considerations, meaning that such advisors readily notice the ethical problems, prevent them from worsening or becoming significant issues, and thus contribute to developing an ethically mindful and reactive organizational culture within the occupation.

A Holistic Approach to Professional Development:

The holistic approach to professional development for art advisors is not just about formal education: mentorship, peer cooperation, and

⁵⁶ Dean Kenning, “Art World Strategies: Neoliberalism and the Politics of Professional Practice in Fine Art Education,” *Journal of Visual Art Practice* 18, no. 2 (August 3, 2018): 115–31, <https://doi.org/10.1080/14702029.2018.1500112>.

⁵⁷ Angelina Olesen, Latifah Amin, and Zurina Mahadi, “Unethical Authorship Practices: A Qualitative Study in Malaysian Higher Education Institutions,” *Developing World Bioethics* 18, no. 3 (July 26, 2018): 271–78, <https://doi.org/10.1111/dewb.12200>.

involvement of multiple opinions. Through mentorship programs, aspiring advisors are equipped with essential lessons from accomplished mentors instead of mere classroom theoretical knowledge. Art advisors' learning process is also improved by peer collaboration enabled at industry events, conferences, and professional networks. Sharing ideas, experiences, and professional ethics encountered in different situations among peers promotes interdependence. Through this collective information sharing, the art advisory community benefits by learning from each other's experiences on best ethical practices.

Exposure to different ethics, opinions, and perspectives also helps shape an all-encompassing moral framework. Inherent diversity within the art world encapsulates multiple cultures, histories, and artistic expressions. Interaction with different cultures increases an advisor's cultural competence. It leads to the ethical imperative of promoting respect for diverse perspectives within a client relationship.

8. Conclusion

As they move along the tortuous and intricate path of art advisory in New York, many ethical problems have emerged. Ethical concerns included conflicts of interest, transparency, and professional relationships with clients. These case studies and legal cases helped discover the issues an art consultant faces worldwide and the implications of the consultant's decisions for an artist's career and the whole industry. Though this search has highlighted major moral issues, many unexplored questions keep calling for more attention. The following steps can involve looking at the ethics and moralities associated with new technologies in the art market, shifts in society and culture on what happens to advisors, or even changes in how collectors interact with their advisors. These uncharted waters can further help us understand the ethics of the art advocacy landscape. Even the art advisor business goes through dynamism as it adapts to changing market conditions and societal perceptions. Considering such changing interactions involving digital platforms, changing opinions about provenance, and the influence of world events in the global art market, raising awareness of new ethical issues is essential. Collaboration in the intricate Art Advisory Service ethics dilemmas is a crucial aspect. Running an art world is not an individual task but a joint venture whereby collectors, institutions, and advisors must work together in a setting and establish ethics. These standards should be upheld and should be more than just a regulatory necessity for the sustainable growth and lively nature of the New York art scene. Ethical considerations also have long-term effects on the art market; it has been and will be the story of creativity and trade worldwide.

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