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Culture and authenticity: regulating shadow economy to foster market growth

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30 August 2019

Online at <https://mpra.ub.uni-muenchen.de/95805/>
MPRA Paper No. 95805, posted 11 Sep 2019 07:49 UTC

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Abstract

Competition in the cultural and creative industries is much dependent upon product and service differentiation. Differentiation is about the unique features that are embedded in the cultural products themselves. These unique features relate to, and determine, the value that consumers ascribe to cultural products. Authenticity is commonly used to underlie the uniqueness of a cultural product and is thus a sign of a thing that worth's value and admiration. Within this context the current study undertakes a comparison of practices related to the way in which authenticity in the paintings' market is handled. The aim is to sketch policy interventions for effectively regulating the shadow economy in this market. It is argued that good regulations are necessary and if enforced, positive outcomes in terms of the paintings' market turnover and employment levels might be generated. In particular, we discuss interventions that would transform the threat of an illegal fake market into an opportunity for market growth through the development of a 'parallel authentic copy market'. Under certain conditions such a policy intervention could have direct and indirect positive effects via: a) the incorporation of an important part of the activities of the shadow economy in the official market, b) the use of a parallel market to protect consumers and their welfare and c) the use of the parallel market to strategically foster growth in the cultural industry at large. Given the economic significance of the cultural industries at both the national and the EU level and the commitment of the later to support the industry's growth insights, as to how we might best regulate the market in line with such directions, are critical.

Keywords: authenticity, cultural industries, creative industries, economic policy, market regulation, shadow economy.

Jel Codes: Z18, L52, M31

1. INTRODUCTION

The cultural industry is much dependent upon the characteristics of the numerous products and services that constitute its many sectors and sub-sectors. Indeed, the Cultural and Creative Industries (CCI) include a large number of activities ranging from visual and performing arts, cultural and historical monuments, and architecture, to books, advertising, gaming, music, movies, newspapers and magazines, radio, and the TV. All these activities share the indispensable use of creativity, cultural knowledge and intellectual property rights that are mixed together for the creation of products and services that have a social and cultural meaning (EU 2016; Avdikos 2014; Lazaretou 2014). It is important to note that the cultural industries are primarily based on cultural heritage and tradition combined with creative artistic elements whereas the creative industries are based primarily on an individual's creative talent, his/her innovativeness in the production of a cultural product or service and the consequent exploitation of intellectual property rights (EU 2016; Avdikos 2014; Lazaretou 2014). Unless otherwise stated, here the terms cultural industry and CCIs are used interchangeably to denote the whole number of sub-sectors that the industry encompasses.

Authenticity of a cultural product or service is probably the most important feature that it encompasses. Authenticity is a key determinant of a person's decision to consume a cultural product / service, and of his/her willingness to pay for that product. On the other hand, the ability of a market to efficiently deliver authentic cultural products will much affect the growth of that market (Maxwell, 1996). In short, welfare for both consumers and producers, and the society can be maximised under the efficient use of product quality signals. In view of identifying the significance of state regulations towards fostering the efficient use of product quality signals in the cultural industries we review here three examples that relate with authenticity use and misuse in the paintings' market. We show how uniqueness and authenticity might be used and misused and how misuse can be surpassed through realistic market enhancing policy interventions. Free markets are in principle needless of interventions albeit the latter is essential when it aims at protecting the market from stagnation and economic losses. This argument is presented here for the case of the manipulation of authenticity in the paintings' market via the critical analysis of three international examples.

The rest of the paper is organised as follows. Part 2 is devoted to a brief presentation of the importance of the CCI industries in the EU and Greece. Part 3 is devoted to a discussion of the notion of authenticity and its interplay with the cultural industries. Part 4 is dedicated to the presentation of the three international examples of the use and misuse of authenticity in the international paintings' market. These examples are drawn from Spain, U.K. and Greece. Part 5 concludes the paper with a synopsis of how realistic policy interventions might efficiently regulate the growth of the cultural and creative industries.

2. THE ECONOMIC IMPORTANCE OF THE CULTURAL AND CREATIVE INDUSTRIES

The cultural and creative industries are acknowledged as one of the most important productive sectors in the global economy. In 2013, the CCIs created income amounting to US\$2.250 bil. (3% of world's GDP) and 29,5 mil. of employment positions (EY, 2013). Taken together, the 11 sub-sectors¹ of the CCIs, fuel the world's economy with income that well exceeds that generated from the telecommunications services and the automobile industry in Europe, Japan and the USA together (29,5 mil. vs. 25 mil.) (EY, 2013). This immense diversity encompassed under the CCIs suggests that we might have several classifications of the underlying sub-sectors depending on the characteristics that we might use for classification (EY 2013). Two distinct development patterns refer to: a) a categorisation between massive and smart sectors of the CCIs (e.g. TV vs. visual arts) and b) a categorisation between income intensive and employment intensive sectors of the CCIs (e.g. advertising, newspapers and magazines and architecture vs. music, movies, performing arts and books) (EY 2013).

The EU widely acknowledges the importance of the CCIs and has, for that reason, initiated a number of activities related to: 1) collecting data to analyze the status and trends observed in the industry, 2) funding research focused on specific issues that intervene with the industry's growth rates, and 3) incorporating the CCIs in all aspects of its industrial and regional development policy actions. The Treaty on European

¹ The sub-sectors that are included in the EU's accounts for the CCIs are: Advertising, architecture, books, gaming, music, movies, newspapers and magazines, performing arts, radio, TV, and visual arts (EY 2013).

Union (TEU) sets a key EU aim to be ‘respect [towards] its rich cultural and linguistic diversity’, and urges for the creation of mechanisms to ‘ensure that Europe’s cultural heritage is safeguarded and enhanced’ (Article 3 TEU). Further, it is the EU’s role to use its competences so as ‘carry out actions to support, coordinate or supplement the actions of the Member States’ in the field of culture (Article 6 TEU)².

The European Agenda for Culture, set out in 2007, constitutes the strategic framework for EU action in the cultural sector. It serves the promotion of three broad strategic objectives namely: (1) cultural diversity and intercultural dialogue; (2) culture as a catalyst for creativity; and (3) culture as a key component of international relations. The ‘2015-2018 Work Plan for Culture’ has reformed these aims to provide a more concrete agenda that sets out four priorities related to the promotion of: (1) accessible and inclusive culture; (2) cultural heritage; (3) cultural and creative sectors: the creative economy and innovation; and (4) promotion of cultural diversity. The priorities are put into practice in 20 concrete actions. Indicative of the importance that the EU places upon these culture promotion actions is the amount of funds directed towards their support. The Creative Europe program alone has a budget of €1.46 billion for the 2014-2020 programming period (9% higher than the previous level) and acts as an umbrella for a number of earlier Union programs³ (Franke and Mennella 2017).

All these initiatives are held capable of providing active support to small and medium sized enterprises (SMEs) in the CCIs. It is well reported that SMEs in the cultural and creative industries constitute an important source of innovations, both technological and non-technological, while they occupy a significant percentage of the EU’s youth employment (EC 2010; IETM 2013). The European Parliament officially acknowledges the importance of supporting cultural heritage and via a recent resolution⁴ it stressed that, apart from its cultural significance, the EU’s cultural

² See:

http://www.europarl.europa.eu/atyourservice/en/displayFtu.html?ftuId=FTU_5.13.1.html.

³ It includes the MEDIA programs (1991-2013), the MEDIA Mundus program (2011-2013), and the Culture programs (2000-2013). It also includes a cross-sectoral sub-program consisting of (1) a financial guarantee, managed by the European Investment Fund, to make it easier for small operators to access bank loans, and (2) funding to support studies, analysis and better data collection with a view to improve the data base for policy making (Franke and Mennella 2017).

⁴ Resolution of 8 September 2015 ‘Towards an integrated approach to cultural heritage for Europe’, see: p.8 TA(2015)0293.

heritage has an important role to play in growth and jobs⁵. Not only are CCIs the expression of cultural diversity, but also they employ 7.5% of the EU's work force and create approximately €509 billion in value added to GDP (Franke and Mennella 2017). So, it is critical that the developmental potential of CCIs is unleashed⁶ especially in the current economic crisis era (Clarke 2010; Lazaretou 2014).

In what follows we present some key economic indicators regarding CCIS in the EU and Greece. Overall, the 11 CCIs in the EU account for 4.2% of GDP (generated incomes that amount to €535.9 bil.) (EY 2014), and employ more than 6 mil. of European citizens (2.9% of the EU' economically active population) whose jobs are directly or indirectly related to the CCIs (Table 1). Even more importantly, CCIs are reported as a dynamically and fast growing industry even during the economic crisis period (EY, 2014). Based on the available Eurostat data for the 2008-2015 period we observe an employment increase in CCIs in the EU (Table 1). The trend for Greece is in the opposite direction. Employment in the CCIs in Greece decreases in the period after the outburst of the economic crisis, and despite fluctuations, it remains in particularly low levels (Table 1). Nevertheless, the percentage contribution of CCIs in the country's overall employment levels does not decrease. The small percentage decline, observed in the 2009-2010 period, is reversed in the following years and thus in 2015 employment in the CCIs again holds 2.1% of total employment in the country (Table 1).

Table 1. Employment in the CCIs in EU and Greece, 2008-2015.

Year	Persons (thousands)		% of total employment	
	EU28	Greece	EU28	Greece
2008	5,342.1	100.6	2.4	2.2
2009	5,386.5	91.9	2.5	2.0
2010	5,415.2	82.7	2.5	1.9
2011	6,039.6	86.2	2.8	2.1
2012	6,139.6	88.9	2.8	2.4
2013	6,188.3	85.8	2.9	2.4
2014	6,273.1	80.9	2.9	2.3
2015	6,447.8	74.7	2.9	2.1

Source: Eurostat Statistics⁷.

⁵ See: OJ C 377 E, 7.12.2012, p. 142; p.7 TA(2013)0368.

⁶ See: p.8 TA(2016)0486.

⁷ Available at: <http://ec.europa.eu/eurostat/data/database>.

The main CCIs in Greece in terms of employment provision are: 1) performing and visual arts, 2) radio and TV productions, 3) museums, libraries and other cultural activities, 4) scientific and technical arts, (design, photos, translations, etc.), and 5) movies, videos, music, and gaming. These CCIs account for the employment of 37.2 thousand persons (46% of total CCI employment in the country) (EU 2016). Another indicative finding refers to the turnout value generated by these five categories of the CCIs in Greece which amounts to 2,351.9 million euros in 2013, an amount that is slightly above the EU28 average amount of CCIs turnover (the average contribution of the CCIs turnover is reported to be 5.43 for Greece and 5.28 for the EU28) (EU 2016). Additional data referring to the number of start-ups in the cultural industry, and survival rates, household level expenditures for cultural products and services and the CCIs contribution in the country's trade balance indicate the significance of the CCIs for Greece and the need to further support them (EU 2016; Avdikos 2014; Lazaretou 2014). Some comparative evidence based on the latest available data are summarized in Table 2 below.

Table 2. Key CCIs indicators for EU and Greece (last available year)

Indicator	EU28	Greece
— Number of enterprises (thousands)	702,971 (2014)	23,322 (2013)
— Persons employed by enterprise	n.a.	2.2 (2013)
— Turnover (million euro)	300,476.4 (2013)	2,351.9 (2013)
— Value added (million euro)	128,133.5 (2013)	925 (2013)
— Government expenditure as % of total government expenditure	4.3 (2015)	2.6 (2015)
— Government expenditure as % of GDP	1.9 (2015)	1.4 (2015)

Source: Eurostat Statistics⁸.

3. CULTURE AND AUTHENTICITY

3.1. The concept of ‘authenticity’

The Greek word “Authenticity” is broadly used to denote the quality of being authentic, or else the quality of genuineness. Despite distinctions in the modern use of the two words⁹ they are taken to have the same meaning as ‘*if something is authentic, it is real*,

⁸ Available at: <http://ec.europa.eu/eurostat/data/database>.

⁹ For example, *authentic* is taken to correspond to trustworthy and reliable while, *genuine* is taken to imply the unadulterated, see: Online Etymology Dictionary at: <https://www.etymonline.com/word/authentic>.

true, or what people say it is’ and *‘if something is genuine, it is real and exactly what it appears to be’*¹⁰. Thus, in the international literature the word ‘Authenticity’ translates for *‘truth, original nature, genuine instincts, reliability’* (Hu et al. 2015: 278). The modern Greek use of the word *‘authentikos’* relates to that which *‘...corresponds to reality [or a matter of fact]...’* and coincidentally *‘...the real, the genuine, [...] the original, the prototype, the one that is not an imitation or a copy, the one that has not been in any way altered, hence the unadulterated [...] the one that reveals genuineness, honesty, lack of preemption or hypocrisy’* and coincidentally *‘the spontaneous, the solid, the original, the real one’*. An indicative example of the word’s use in Modern Greek would be *‘...the authenticity and validity: ~ of a Rembrandt’s Painting || ~ of a manuscript’* (Babinotis 2002: 313).

The link between ‘authenticity’ and the cultural industry might be traced to the museum sector where the term’s first use had a concrete and tangible meaning, denoting the value that any piece of art could be acknowledged to have. This value is subject to verification by appropriate experts (e.g. museum curators and art historians) and hence any authentic piece of art is acknowledged as an *original cultural art piece* that encompass value and merits admiration (Trilling 1972; Galani-Moutafi 1995). As Trilling (1972) points the museum curators wish to define whether an object of art is what it appears to be, or claims to be, because this is the way to ensure that it deserves the value that is attached to it, or the admiration that people attribute to it.

Given the above, the tourism literature relates authenticity to traditional culture and its ‘roots’, a sign of original, real and unique products and services (Sharpley 1994). However, authenticity, as related to tourism products and experiences, is far from having a commonly accepted definition (Reisinger and Steiner 2006; MacLeod 2005). Research in the area of the intangible aspects of culture, and of the ways in which these are consumed, has led to different theorizations of authenticity as a subjective and dynamically evolving concept. More specifically, in the available literature we might discern the use of the notion of authenticity within three different conceptual frameworks, namely: a) modernism/realism, objectivism, b) constructivism, and c) postmodernism (Reisinger and Steiner 2006; MacLeod 2005). Early researches adopting a modernism approach argue that there is a distinct (visible) basis for deciding

¹⁰ See: Cambridge Advanced Learner’s Dictionary and Thesaurus, Cambridge University Press.

on the authenticity of artifacts, events, culinary culture and foods, practices, costumes, etc. which is grounded on a given and known reality (Boorstin 1961; MacCannell 1973; Theobald, 1998). Later on, the constructivism approach pointed to that the basis upon which cultural products and services are viewed as authentic (the authenticity basis) is a social and personal one and thus it is not given. Instead, as they argue the authenticity basis is subjective and variable. As such, authenticity is negotiable and not given by an objective reality in which people should be attracted by (Cohen 1988; Handler and Linnekin 1984; Taylor 2001; Adams 1996; Moscardo and Pearce 1999). Postmodernism researches argue that the concept of authenticity is not relevant to tourists and visitors because it relates to attributes which individuals might view with scepticism or irony in the case they participate in their construction for commercial purposes, or even with indifference in case they view it as a simple marketing technique (McCrone et al. 1995; McIntosh and Prentice 1999; Revilla and Dodd 2003). Thus, authenticity can be identified under three main types, namely: 1) objective authenticity, where reality is encompassed in objects which can provide genuine experiences to those consuming them subject to that the individual can identify the signs showing the authenticity that the object embodies (Wang 1999; Jamal and Hill, 2002); 2) constructive authenticity, which relates to the projections that an individual makes upon objects based on his/her beliefs, expectations, preferences, stereotypes, and views regarding other people (Wang 1999; Hobsbawm and Ranger 1983; Urry 2002); and 3) existential authenticity, which relates to the personalized sense of reality which the individual generates in his/her attempt to escape everyday routine and connect with something that is genuine (Hughes 1995; Wang 1999; Coates 1998; Daniel 1996).

These aforementioned conceptualizations of authenticity are considered here as ‘realities’ that can be of immense importance in an attempt to analyze the contemporary challenges of the CCIs and introduce effective policy interventions to face them in favor of supporting the CCIs’ growth potential, employment creation and consumer welfare. Part 4 of the study is dedicated to an in depth analysis of such realities as a means to provide efficient economic policy tools to foster growth in the cultural industries. However, before we proceed to the analysis of these realities it is important to discuss the commodification – authenticity relationship as a long standing challenge and an open debate that underlies the development of the CCIs worldwide.

3.2.Culture and authenticity

The commoditization of culture is an open debate in the relevant literature and one that is deeply rooted to the study of the social transformations and social changes that tourism brings about to local communities and societies (MacCannell 1973; 1976; Greenwood 1972; 1989). This owes to the fact that the CCIs need to be part of a country's economic paradigm albeit key developmental challenges relate to designing an appropriate and supportive arts policy and funding plan (Caust 2003). To the extent that funding agencies worldwide have been restructured to reflect a market-driven agenda rather than an arts-driven agenda, it is essential that the core cultural values are placed at the center of any future discourse regarding a CCI's developmental agenda (Caust 2003).

Authenticity as the underlying feature of a tourism experience has for long being studied as embedded in consumption goods and thus it was viewed as something that can be produced and consumed provided that a) some people are able to 'compose it' and b) consumers search for it (Galani-Moutafi 1995). Commodification is seen as the other edge of the continuum signaling massive production and consumption of cultural products and services, which lack authenticity characteristics. As a result, the culture industry has for long been 'trapped' into this bipolar view of 'authenticity versus commodification' supported by the idea that the consumption of culture for commercial reasons constitutes *a priori* a means to destroy it (MacCannell 1976; Cohen 1988; Greenwood 1989). It took a long period of research before it became common ground that "*commodification does not necessarily dissolve the meaning of cultural products*" (Galani-Moutafi 1995: 33) using tourism as a vehicle to that end. Subsequent research clarified that the authenticity feature of the cultural goods is inexorably linked to the socio-economic and policy level development of a community, and to the ways in which the culture of diversity and the distance between those who produce culture and those who consume it, are understood as part of the authenticity embodied in the cultural products themselves (Galani-Moutafi 1995; Cohen 1988; MacLeod 2005). Thus, authenticity is a value that is being understood by the individual (subjective understanding) and refers not to the level of authenticity characterizing the whole experience (total authenticity) but to the level of authenticity of only those features of the experience that the individual values the most, and which constitute the criteria according which a person will value the whole product / experience that he / she has consumed (Cohen 1988). Indeed, recent research findings show that the level of authenticity as embodied in intangible cultural heritage products, is acknowledged

differently as a result of individuals' differences not only in terms of their socio-demographic and economic characteristics, but also in terms of their personal beliefs about what is authentic, atmospheric, traditional etc. (see indicatively, Hu et al. 2015).

Given the economic importance of the cultural industry, on the one hand, and the great number of challenges that the industry faces in the contemporary globalization and internationalization era, on the other, almost all countries are forced to reconsider their state cultural policy. A core issue in this respect is the success of national level attempts to regulate a complex reality that demands the state's role to be supportive of the market's developmental imperatives as well. These imperatives refer to various types of challenges originating from for example, the need to regulate cultural diversity without endangering identity, or the need to address the challenges related to innovation diffusion and adoption in the CCIs. In this respect, it is indicative that China seeks to develop a state cultural policy that will manage to balance state legitimacy and authority with contemporary market imperatives (Tong and Hung 2012) while the European Union (EU) member countries wish to match the goals of various types of market intermediaries with EU goals (Street et al. 2016). In the case of China it is a challenge that regards a) the management of cultural works while preserving the national cultural identity, b) the protection of regional and minority art forms, c) the support of the social responsibility of art, and d) the balance of tension between the so-called sophisticated versus the commercial culture (Tong and Hung 2012). On the other hand, Street et al. (2016) focus on the role of intermediary institutions in promoting creativity and cultural diversity in the music industry, and suggest that little attention has been paid to the role of intermediaries in shaping the economic conditions and innovation in music. As they argue, different types of intermediaries, are found to pursue different priorities and unless their role and practices are subject to EU's regulation under the Digital Single Market project, profound consequences for the music market in Europe will be induced in terms of creativity and cultural diversity (Street et al. 2016).

4. CASE STUDY EVIDENCE: PRODUCT CHARACTERISTICS AND STRATEGIC BEHAVIOR IN THE CULTURAL INDUSTRY

This part of the paper is devoted to the presentation of three examples regarding the market for paintings, with particular focus on the ways in which authenticity is handled.

These three examples have been chosen so as to more clearly illustrate the importance of authenticity as a subjective quality of a painting and the importance of introducing informative economic policy measures to deal with realities in favor of advancing the CCIs' growth. Example 1 refers to Joan Miro's catalytic assessment of a painting's value and of his influence in the subsequent use of that painting (along with the other paintings of this collection). Examples 2 and 3 relate to cases that are illustrative of how a forgery industry problem (Example 2. Yannis Tsarouchis verifying a good quality, albeit illegal, copy of one of his paintings) might be turned into an opportunity (Example 3. The Dalwich's gallery spot the replica game). Here, these three examples are taken together to suggest that we might effectively regulate the paintings market for example via establishing a legal copy market that might work alongside the official and legal artwork market. The parallel, official copy market might create employment and growth, while protecting the welfare of the consumers who are in most cases not able to distinguish between an authentic artwork and a high quality copy.

4.1.Example 1. The Black Paintings of Goya.

The Spanish painter and printmaker Francisco José de Goya y Lucientes (30 March 1746 – 16 April 1828) is considered the most important Spanish artist of late 18th and early 19th centuries. He has been an immensely successful royal painter and is now acknowledged at the last of the 'Old Masters' and the first of the 'Moderns' in his field. During the later years of his life Goya painted a collection of fourteen paintings that are now known as the *Black Paintings* of Goya¹¹. It is believed that the original paintings have been created as murals on the walls of the '*Deaf Man's Villa*' as his last house is known¹². According to Licht (1979) they are the most personal paintings ever created in Western art and where not for sale or exhibition. It is indicative that the paintings have titles that were employed by art historians (Licht 1979). In 1874 the paintings have been removed from the walls and attached to canvas under the supervision of the

¹¹ The Black Paintings have been created during the 1819-1823 period and reflect a number of intense, 'dark, haunting themes' which have been said to portray Goya's fear of insanity and his bleak outlook on humanity (Connell 2004; Licht 1979; Casey 2006; Lubow 2003).

¹² The house had been named after the previous owner, who was deaf, albeit Goya too was nearly deaf at the time he moved in this house due to an illness he suffered when he was 46 years of age (Wikipedia, accessed: 11-12-2017).

Museum del Prado, in Madrid, in which their owner Baron Emile d' Erlanger donated the paintings.

In 2003, Arthur Lubow a contributing writer for the New York Times Magazine writes an extensive article about the secret of the Black Paintings. The article's core theme is about recent, at the time, evidence which Juan José Junquera, Professor of Arts, has brought into light and, according which, the authenticity of the Black Paintings is to be seriously questioned. After a thorough investigation¹³ Prof. Juan José Junquera claimed that this collection of paintings cannot be authentic works of Goya since they have been found on a two-floor house whilst the *Quinta* ('*Deaf Man's Villa*') appeared to have only one floor during the period in which Goya lived there. In addition, as Prof. Juan José Janquera points there is no reference to this collection by any of the Goya's contemporary painters.

Arthur Lubow (2003) ends his article in the New York Times Magazine with his own thoughts regarding Manuela Mena's, the Museum del Prado's curator for 18th century paintings, words:

'The Dog', like several other Black Paintings is a classic of modern art. There is not a single contemporary painter in the world that does not pray in front of 'The Dog'." Manuela Mena observes. *As I stand before it, I think of a story she recounted. The painter Joan Miro, in the last years of his life, paid a final visit to the Prado, and Mena was assigned to escort him through the museum, When she asked him what he would like to see, he said "I want to see 'The Dog' of Goya". He sat in front of it for half an hour. Then she asked if he wanted to look at anything else, and he had her take him to 'Las Meninas' of Velazquez, which is perhaps the most revered painting in the world. "For him, 'The Dog' and 'Las Meninas' were of the same level of intensity", Mena said. She look at me*

¹³ Official documents such as the Goya's purchase contract for the Quinta, the deed of transfer that Goya made to his only grandson Mariano in 1823, and a description of the property at the time of Mariano's marriage in 1830, all describe a residence of two low dwellings, only one-store high. Renovations that took place after Goya's death do not mention the addition of another story. The second floor seems to have been added after Goya's death. According to Prof. Juan José Janquera Professor the paintings could have been created by Goya's son Javier or by Mariano, and were used by the latter to achieve a higher selling price for the Quinta (Lubow 2003).

challengingly “We cannot send ‘The Dog’ to the museum basement because it was on the apparently nonexistent second floor of the Quinta.

Because of being Joan Miro could Joan Miro assess ‘The Dog’ as a valuable artwork and become the expert whose assessment of the painting’s value would be sufficient for the Museum to include it in its collection.

4.2.Example 2. Yannis Tsarouchis and the fake paintings industry in Greece.

On May 14, 2011 the Greek Newspaper ‘*Eleftherotypia*’ publishes an article about the ways in which the artworks forgery industry works in Greece and the negative effects that the paintings’ forgery industry exercises upon the country’s official paintings market (Karouzakis, 2011). The article reports the forgery industry as old in the sense that it counts quite a few decades of existence, albeit particular signs of expansion were shown during the 1980’s, i.e. around the time when the possession of original artworks, such as paintings by famous Greek painters, become a social status symbol and a pathway for the industry’s growth. The article reports the various ways in which the forgery paintings industry harms the Greek cultural industry. Among other issues related to illegal actions and so on, the severe economic impacts faced by those directly involved in the market (painters, galleries, auction houses, the painters’ heirs, museums, and collectors) are also mentioned.

Karouzakis (2011) stresses the need, identified by those involved in the paintings market, for state authorities to become seriously involved into establishing a certification procedure through which the authenticity of artworks sold in the Greek market will be determined by experts which have the necessary skills and knowledge to do so. The presence of such a certification body would be an official means to control the trading of fake artworks and would create the context for the relative industry to develop and expand. The following parts of Karouzakis’ (2011) article are illustrative of the above mentioned issues:

During his lifetime, Yannis Tsarouchis was one of the artists who had seen enough [fake] copies of his paintings. Once, while looking at one of them, said with, his known for, humor: «he has painted it better than me, but it is not mine». [...] in May 2009 two paintings were withdrawn from an auction organized by the Bonhams house in London, the first one being the “Lady in white” by Demetrios Galanis and the second one being the “Vue du port de Marseille” by

Panayiotis Tetsis. The authenticity of both paintings has been seriously questioned [since] a painting almost identical to the first one is part of a permanent collection exhibited at the Tate Modern Gallery in London [...] while in the second case the painting was withdrawn after the painter himself intervened to inform them that he could have never been able to paint the Port of Marseille as he has never visited it. The representative of the Bonhams house in Greece informed us that the 'Lady in white' has been sold. [...] our questions remain unanswered: did the painting's owner, who has managed to sell it so quickly, certified the painting's authenticity after all? The buyer bought it as a painting of D. Galanis or a painting of another painter who is not known to us?.

Yannis Tsarouchis (13 January 1910 – 20 July 1989) is one of the most famous Greek painters. Together with other painters he led the movement for the introduction of Greek tradition in painting. His assessment of the fake's quality is indicative of the way in which a copy industry might develop legally form within the painters' own workshops,

Example 3. The Dulwich picture gallery game

On January 16, 2015 the Times of Change¹⁴ (TOC) devotes its column about culture to the 'game' that the Dulwich picture gallery in London set forth. The Gallery challenges its visitors and art critics, to spot a 'made in China' replica which will be hung in the genuine frame for a period of three months amongst the alongside the gallery's permanent collection of 270 invaluable Old Master paintings. It is worth mentioning here that Dulwich is the world's oldest purpose-built public gallery, with works by Rembrandt, Rubens, Tiepolo, Murillo, Poussin and Tiziano. Aware of the practice of coping famous paintings in the artists' own workshops the Gallery's collection includes paintings made in Tiziano's workshop probably by his students.

On April 28, 2015 the replica was revealed. It is a copy of Jean-Honoré Fragonard's 18th-century work 'Young Woman' (Ellis-Petersen, 2015). The replica of this priceless painting has been produced in China and ordered over the internet for a

¹⁴ TOC (2015), Could you spot a replica? Form February 10 the Dulwich gallery in London starts a challenging game, *Times of Change Magazine (TOC)*, 16/1/2015. Available at: <http://www.thetoc.gr/politismos/article/eksupni-pagida-me-authentika-kai-plasta-erga-texnis>. Accessed: 15/12/2017.

price of £70. The painting was made by the Meisheng Oil Painting Manufacture Company, where 150 artists, many art students funding their own work, toil in the style of Botticelli, Van Gogh or Picasso, for clients from across the world. Strictly speaking, the works are not fakes, since the studios are usually careful in changing the size of the copies so as to change them from the original paintings. As Ellis-Petersen (2015) in the Guardian points:

The exhibition, titled Made in China, was conceived by American artist Doug Fishbone as a way to make people think about the way they look at, appreciate and value such artistic masterpieces. The gallery's chief curator, Xavier Bray, described it as "an extraordinary experiment which has allowed people of all generations to reconnect with the collection and re-engage with it on a purely visual basis." He said: "It was certainly quite provocative because it turns everything you assume you know upside down. A museum is a temple of art and as soon as you cross the threshold you expect everything you are told on a label is correct. So suddenly having this intervention from a contemporary artist that makes you question every piece can be quite unnerving, but in a positive way." Yet of the 3,000 people who visited the gallery during the experiment, the majority are likely to be left mortified by the unveiling of the fake – only 10% guessed correctly. Bray said the "treasure hunt" challenge had proved very popular with the public and the gallery's visitor numbers have quadrupled over the past three months. Bray also admitted he had been impressed that 10% had accurately spotted the fake, though noted with amusement that at least 6% of visitors had been convinced the imposter was a recently restored female portrait by Rubens. Bray added: "In the end it was in a very obvious place so most people would just walk past oblivious, which would always make me giggle. Some initially accused us of dumbing everything down but I'm pleased to say it proved the opposite, it actually led people to look afresh." The key giveaways of the fake, he said, were instantly obvious to the trained eye. They ranged from the lack of warmth in the background canvas and the modern pigment of acrylic paints, to the expression on the face of the woman in the replica, which Bray described as "lacking psychology, just empty and flat".

After the game was over, the original painting was put back in its frame and was hung beside the replica, allowing people to compare the stylistic differences between the two (Ellis-Petersen, 2015).

5. CONCLUSION

Today it is commonly acknowledged that authenticity in culture is to a large extent 'intangible' and subjective, structured within a dynamically evolving context of interactions among people and cultures, innovations in the production, distribution and consumption of goods, as well as wider socio-economic and political processes (Cohen, 1988; Wang, 1999; Reisinger and Steiner, 2006; MacLeod, 2005). Authenticity, as an inherent feature of cultural products and services (also embedded in the processes of production, distribution and consumption of cultural goods) is increasingly affected by the diverse international consumers it addresses. Within this context, an authentic painting might better be safeguarded once the fake (the copy) is acknowledged to exist. To this end two important issues need to be addressed. The first relates to informing consumers about the existence of the fakes' industry and providing them with the alternative to acquire high quality copies of famous paintings. The second issue relates to developing the market structures and legal framework that are necessary for the high quality copies to be produced and sold. Such policy measures might well constitute interventions that foster the growth of the sector while diminishing the shadow economy problems and increasing consumer welfare through protecting the latter from illegal transactions of fake paintings.

Undoubtedly, Xavier Bray's decision to adopt Fishbone's extraordinary experiment was a highly successful commercial move that increased the number of visitors in the Gallery, the average time spent by visitors within the Gallery, empowered the people's image regarding the Gallery and, finally, it became known as a best marketing practice. In the eyes of the artist, however, this experiment was '*a way to make people think about the way they look at, appreciate and value such artistic masterpieces*' (Ellis-Petersen, 2015). To that extent this experiment was also an example of how people, and consumers of cultural products in particular, might be pushed to involve more with the goods they 'consume'. The existence of a copy is not

problematic up to the extent that this is acknowledged as such and is not sold as an 'original opportunity'. The development of a parallel high quality copies market is essential for such illegal activities to decrease and for the sector to be effectively protected. Positive effects in terms of employment, growth and welfare are to be expected from such economic policy interventions in the cultural markets.

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