



The 'decision-making' on the trade of 'Cultural Artefacts', applying the role of tourism to measure the economic perspective

Dr. P.W. Baur
School of Economics
University of Johannesburg
South Africa
Email: Peterb@uj.ac.za

Abstract

Tourism continues to flow into Africa and along with this flow of tourism, is the flow of tourist spending. Much of the spending is used to purchase goods and souvenirs that are unique to the region from which they are bought. While tourism spending greatly contributes towards the growth and development of these regions, there is also the added benefit associated with the trade of 'Cultural Artefacts'. Each year, thousands of historically significant artefacts exchange hands across the world. What makes these artefacts so significant is that they contain within them an element of 'cultural value'. This 'cultural value' is specific to the information, subjective norm and institutional importance relevant to religious, social and geographic location. The flow of Art from these regions is highly correlated with the flow of tourism, and tourism facilitates the link between local and international art markets. Yet the trade of 'Cultural Artefacts' which are rich in 'cultural significance' operate on a different level to that of 'works of art'. This paper looks at the way in which the value of items of 'cultural significance' are considered within an economic context and proposes a methodology, to determine the role of value, within an historical cultural framework.

Keywords: Cultural Artefacts, Cultural Significance, Tourism, Institutions, Historical Significance, Economics, Trade, Art.

Introduction

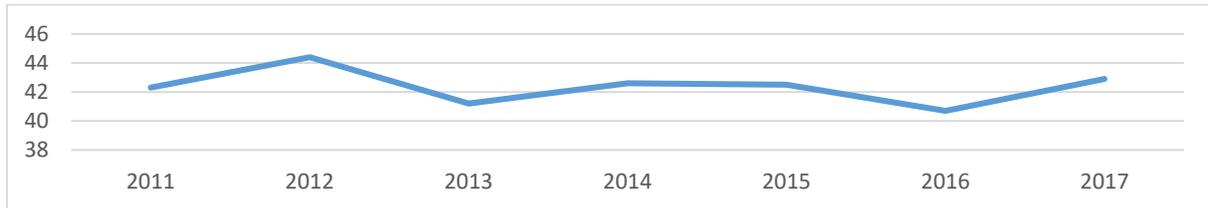
Tourism is welcomed as an indisputable generator of income for many small businesses across the world. The income generated through tourism is estimated to reach trillions of US Dollars annually, accumulating an estimated 2.57 trillion USD in 2017, with an overall impact of 8.27 trillion USD (Statista, 2018). Much of the benefit from tourism is distributed amongst the smaller developing countries. For Africa alone, the 2017 contribution of tourism to Gross Domestic Product was 68.6 billion USD, and generated within the formal and the informal sectors of an economy approximately 21 million jobs (WTTC, 2017). According to the World Travel and Tourism Council (2018), some of the top beneficiaries of tourism, measured in relative contribution to GDP during 2017, include the Maldives (39.6%), British Virgin Islands (35.4%), Macau (29.3%) and Aruba (28.1%). The top most tourist dependant regions, based on the contribution of domestic spending of tourism to GDP, relatively speaking, includes Kiribati (15.1%), Philippines (14.6%), Mexico (10%), Lesotho (9.4%) and Namibia (8.9%). All of these countries depend heavily on tourism, and the trade of goods which is associated with tourism into these countries.

Looking at South Korea as an example, tourism only accounts for 2.1% of the total Gross Domestic Product (GDP). Yet in 2013, 616 thousand jobs were created through tourism in that year. A total of 28% of employment in the retail and trade sector in South Korea is directly linked to tourism (WTTC, 2013). These tourists play a significant role in supporting the trade of artefacts, which range from basic mass produced goods to specialised items, which may contain a huge amount of cultural significance, to the indigenous people of that region. Visitor exports for Africa amounted to 40.7 billion USD in 2016, attracting 64.5 million visitors to the region in 2017 (WTTC, 2017). The export of artefacts from Africa generated an average



income of 47 billion USD per annum between 2011 and 2014, see figure 1, accounting for a huge 7% of total export revenues (UNCTAD, 2017).

Figure 1: Artefacts Exported from Africa 2011-2017



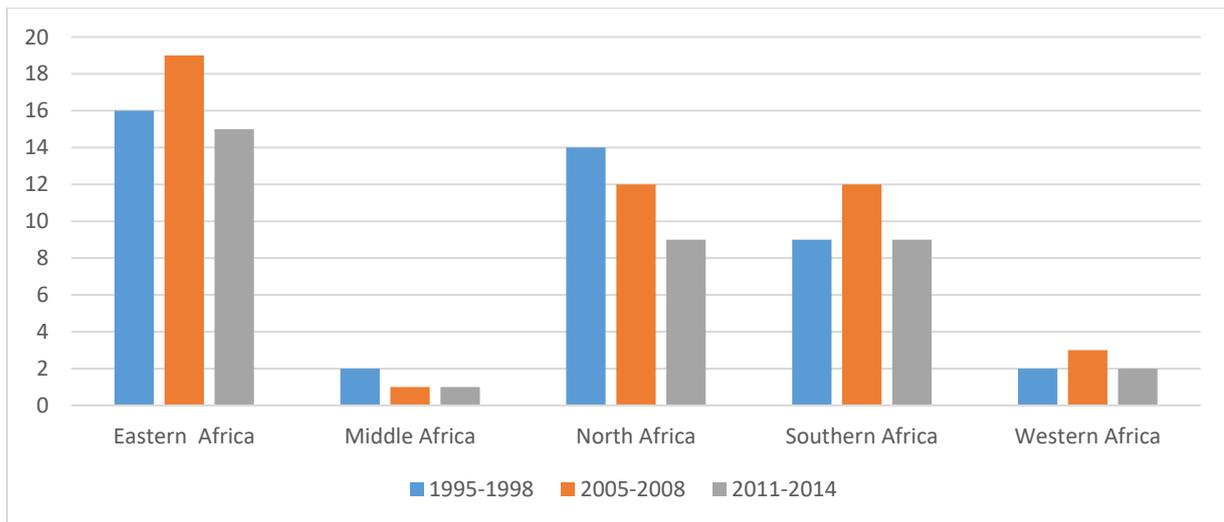
Source: WTTC, 2017

The methodology employed in this paper is quantitative using an OLS to analyse the impact of international variables on the export of African artefacts of cultural significance. The role of this paper is to develop an argument which justifies the value of an artefact of 'cultural significance' as depending much on both the role of social institutions, as well as the period or spatial distribution from which the significance of the artefacts originated. Investment into the trade for 'Cultural Artefacts' is clearly not risk free. There are market risks, cross border risks, political risks and liquidity risks to mention but a few. However, the movement of tourists and the trade in such artefacts continues to grow in proportion to each other. It is from this perspective that this study determines the role of the decision-making in the international trade for items holding 'cultural significance'.

Introducing the tourist, collector and dealer

According to UNCTAD (2017), the measurable relationship between inbound tourism and outbound tourism is known as the tourism trade balance. It has been seen that the tourism trade balance of Africa has remained in the positive since 1995. This implies that more foreign exchange was earned for those countries in Africa influenced by trade tourism than was lost.

Figure 2: Tourism Export Revenues¹ for Africa by Region, 1995-2014



Source: UNCTAD, 2017

¹ In order to ensure standardisation of terminology, tourism export revenues on inbound tourism expenditures, is as per the UNWTO data, the total value of international inbound tourism expenditures on travel within the country and inbound tourism expenditures on international passenger transport services (UNCTAD, 2017).



However, Africa's tourism trade balance declined from a peak of \$19.1 billion in 2007 to \$16.3 billion in 2014. The countries within Africa with the highest tourism trade balance from 2011 to 2014, were Morocco (\$6.5 billion), Egypt (\$5.6 billion) and South Africa (\$3.6 billion). The lowest for the African region include the Democratic Republic of the Congo, Gabon, the Niger, Burkina Faso, Chad, Nigeria and Angola. An important consideration to make at this point is that the majority of these countries (except Burkina Faso), were oil exporting countries. Interestingly enough is the concern that the majority of the tourists that travel into the African economies, originate from within Africa and Europe.

The capacity of people to contribute to tourism and product diversification, particularly women in rural areas, are of concern amongst policy designers and planners. Owing to the role of women within traditional skills and cultural awareness, they contribute greatly towards enterprises that provide cultural artefacts and handicrafts. Generally it is women who provide agricultural and environmental services which promote a variety of tourism services and products (UNCTAD, 2017). This creates a space for greater employment opportunities, and empowers communities financially which assists in reducing inequality within the rural or lesser developed regions.

There is no denying that tourism clearly provides sustainable economic opportunities for people living within the developing regions and especially in remote rural communities. Many of these rural areas are situated geographically far from any modern infrastructure, and do not benefit in the same way from the growth of industrialisation. Tourism brings trade to these regions, and the value placed by tourists on real and authentic experiences or products would be linked with the benefits brought directly to poorer rural households, who typically would not have access to the formal markets (UNCTAD, 2017). However, the demand to gain a share of the potentially beneficial tourist industry may also put pressure on cultural heritage, the very thing that is supposed to be protected. The growing trade in cultural industries, either agricultural, environmental or in manufacture may put the local environment under additional pressure. Examples of this could go as far as the trade in Rhino Horn, Ivory or related wild life products, including the use of scarce resources which are specific to the region, including rare wood, animal, fish or insects. However, most concerning, is the sale of 'culturally significant' artefacts, many of which are not sustainable.

Economic Development, one with Art Culture and Heritage

Amantha Zen (2014) mentions that development should be seen from a human perspective, rather than simply the expansion of material means and must take note of the enrichment of people's lives. As mentioned by Throsby (2010), 'where culture leads, trade follows.' For example, the performing arts cannot but have a major role in making people's lives richer and finer. In this sense, the creative wealth represented by the tradition and practice of the arts is constitutively a part of the process of sustainable economic development (Kabunda, 2014).

Culture embraces all of society's intellectual achievements and developments, both holistically and collectively. Culture generally perceived in customs, social behaviours, norms, traditions and wellbeing. Culture is often the basis of every legal framework, imprinting itself in society's choices and preferences, impacting on politics, economics and social expression. Unesco, (2002) defines culture as 'the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs'.

Like 'heritage' and 'identity,' 'culture' is a term that often causes much confusion and suffers from its misuse. Traditionally it has been used to refer to the ways of life of a specific group of people, including various ways of behaving, belief systems, values, customs, dress, personal decoration, social relationships, religion, symbols and codes. Cultural consciousness is often expressed through art and literature, and eventually in time, will filter its way through to future



generations, where some elements may be withheld, and other elements discarded. The nature of culture, been both exclusive and inclusive, requires a multidimensional approach in research and should be analysed across several social tiers. Further, successful policy design and implementation is centred on cultural arrangements, and where policy is not in line with societies established culture, will eventually results in social conflict.

The social world is so complex and multidimensional that we must create numerous institutional concepts to try to describe, codify and understand its varied dimensions. Thus, society, race, culture, identity, state and nation-state are all concepts that we have created to help us understand our reality (Baur & Els, 2014). African art and culture, in many instances deals with making sense out of the world. It also deals with the religious aspects of life. The first African art were terracotta figures that didn't bother with normal human representation. African art doesn't does not just focus on recreating the world in another form, but rather concentrates on explaining the world to reduce the fear of what is unknown (All about African Art.com, 2018).

In a country like South Africa, there is not one single heritage, or an easily delineated set of distinct identities. The nature of African Culture have little commonality, for the Xhosa, Zulu, Pedi, Dinka, Himba, Berber, Arab, all represent vastly different modes of practice and have little in common save for the relative geographic proximity in relation to the rest of the World (SAHO, 2017). Multi diversity is a mode of the present which has been born from years of migration and political and social turmoil. The cultures, languages and heritages that exist within South Africa are multiple, diverse, and dynamic. Intersectional issues of gender, ethnicity, and race further complicate the matter of identity and thus make it highly inadvisable to categorise the different people contained within South Africa's borders (SAHO, 2017).

Moyo (2018), mentions that on the list of items taken from the colonisers is included our heritages that have now been scattered across the world. Heritage might be best broken up into two types: natural and cultural. A country's natural heritage is its environment and natural resources, like gold and water. Cultural heritage, on the other hand, can be an altogether more contentious issue. The use of the identity 'cultural heritage' describes those items which contribute to the specific identity of a particular community of people. These can be special monuments, like a building, sculpture, painting, a cave dwelling or anything important because of its history, artistic or scientific value (SAHO, 2017).

African art and culture are sometimes considered one and the same. Culture is the history, practices and beliefs that make up a society. In Africa, art was seldom used for decorative purposes, but rather to give life to the values, emotions and daily customs of the various ethnic groups throughout the continent. However, the term for cultural art and cultural artefacts is insufficient to capture the range of what is meant by objects of 'cultural significance'. Other forms including music and dance are equally important. Emotions, sensations, motives, needs, imagination, perceptions and memory are integral parts of a cultural cognitive schema which is expressed through the use of different art forms, including dance and music (Baur & Els, 2014).

In the case of African culture, music was considered the main artefact in their culture and the impact of the music on the African culture was quite significant. For example, in South Africa, music was a major player in fuelling the movement against apartheid (Kabunda, 2014). African music, including music made by Africans in other parts of the world, was influenced by language, the environment, the local politics and a variety of cultures, as the population of Africans were distributed across the world (UKEssays, 2013).

The term "cultural industries" traces its genealogy back to earlier work in the Frankfurt School in the 1930s and 1940s, which scathingly decried the commodification of art as providing an ideological legitimization of capitalist societies and the emergence of a popular culture industry. From a particularly socialist view culture and the economy are seen as mutually



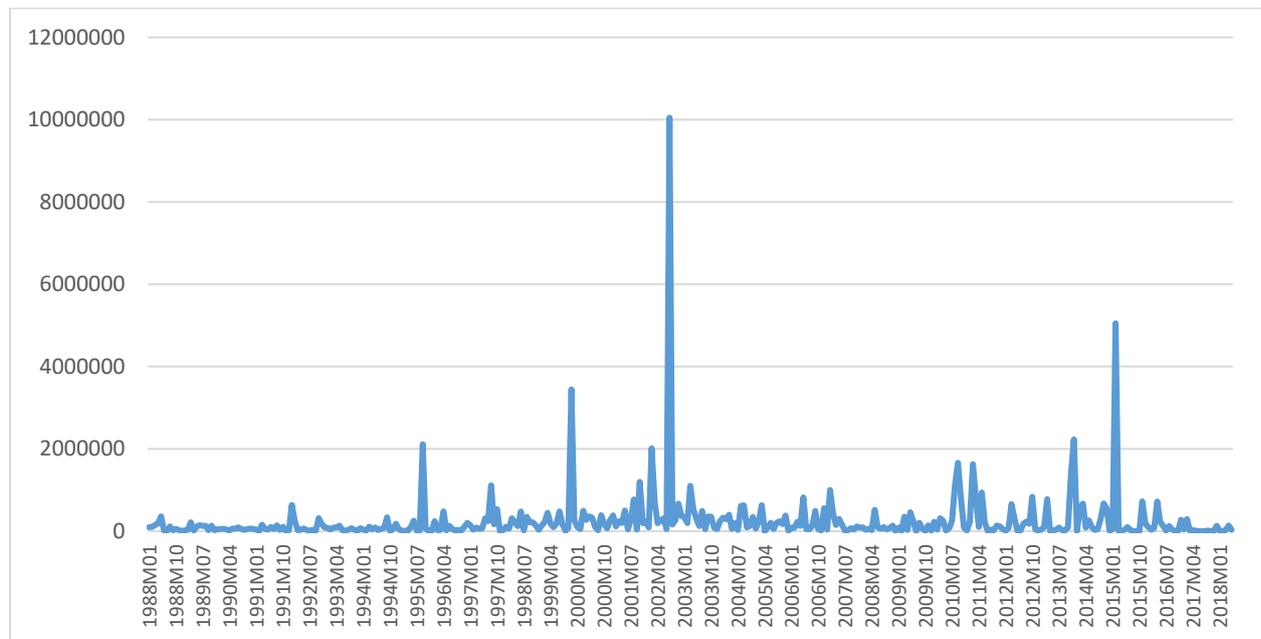
hostile, each driven by logic so incompatible that when the two are made to converge, the integrity of the former always suffers (Kabunda, 2014).

By the early 1960s, however, many analysts had begun to recognize that the process of commodification does not always or necessarily result in the degeneration of cultural expression. Industrially produced goods and services have many positive equalities. From the 1980s onward, the term “cultural industries” were considered in a more positive light. This referred to forms of cultural production and consumption that have at their core a symbolic or expressive element, including music, art, writing, fashion and design, and media industries (Kabunda, 2014)

Trading Culture

“The absence of artistic treasures is a huge loss to African countries’ economies and contributes to a loss of national and personal identity” (Ratha & Kabanda, 2015, p. 12). Every year, thousands of individual, historically significant artefacts, exchange hands across the world.

Figure 3: Export of Antiques from South Africa of an age exceeding 100 years, 1988-2018.



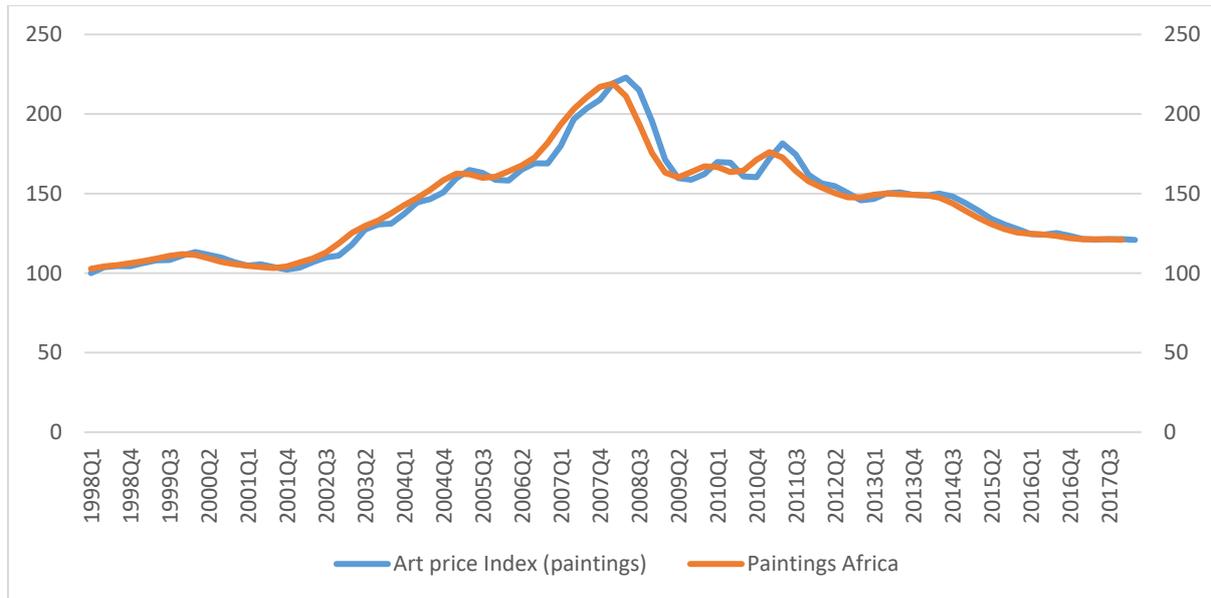
Source: Quantec, 2018

Figure 3 represents artefacts exported from South Africa from 1988 to 2018. There is a significant relationship between the export of ‘Art’ and the political and social environment. This becomes apparent when examining the trade in art, antiques and collectables. Measuring this against investment flows, which showed a high positive correlation with total investment (Adjusted R^2 of 0.478) ². This was also true for countries such as the EU (0.608), USA (0.769) and the UK (0.676). For China the adjusted R^2 value was relatively low (0.249) indicating an element of political interference in the market through possible exclusion policies.

² Total investment is measured as the total investment as a percent of GDP in South African Rand’s.



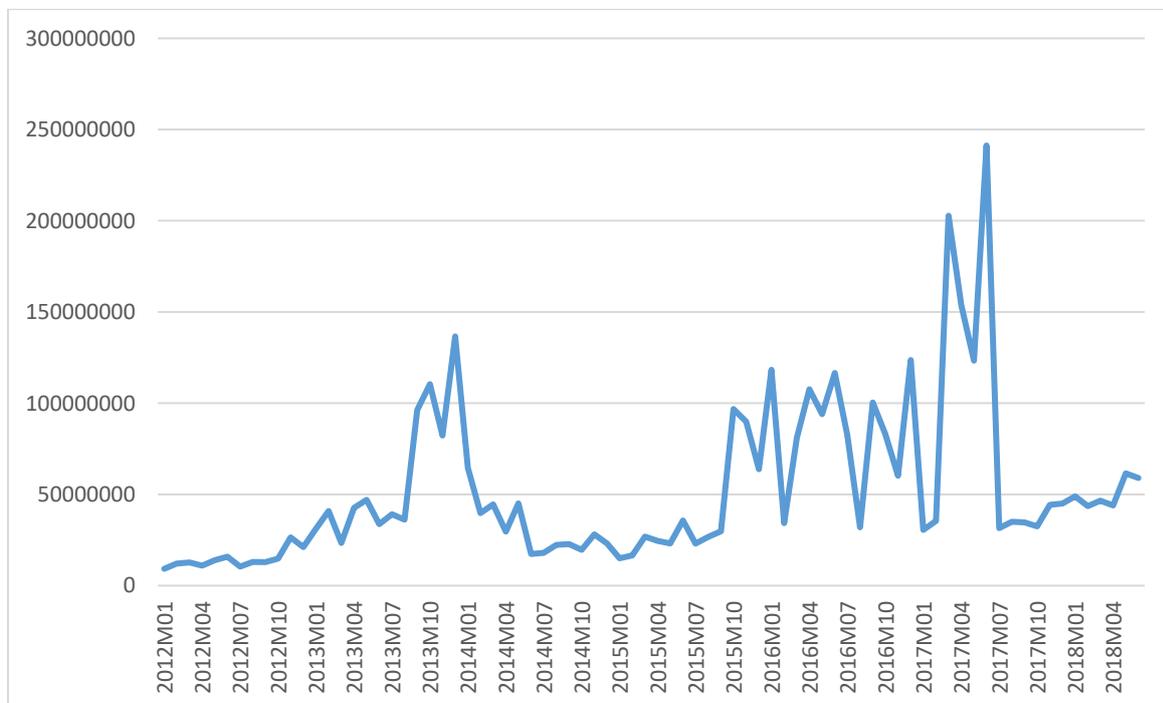
Figure 4: The trade of Paintings and the art price index for paintings from 1998 to 2018 (1998=100)



Source: Quantec 2018 & ArtPrice.com 2018.

It should be mentioned that the trade of 'Fine Art' from Africa has an adjusted R^2 value of 94.43 value when comparing it with the global art price index and specifically focusing on the trade in paintings sold from Africa. This is clearly visible in figure 4. This implies that the international market for 'Fine Art' produced in Africa is still an important market for African artists.

Figure 5: Sudden change in the export of South African Art from 2012 to 2018.

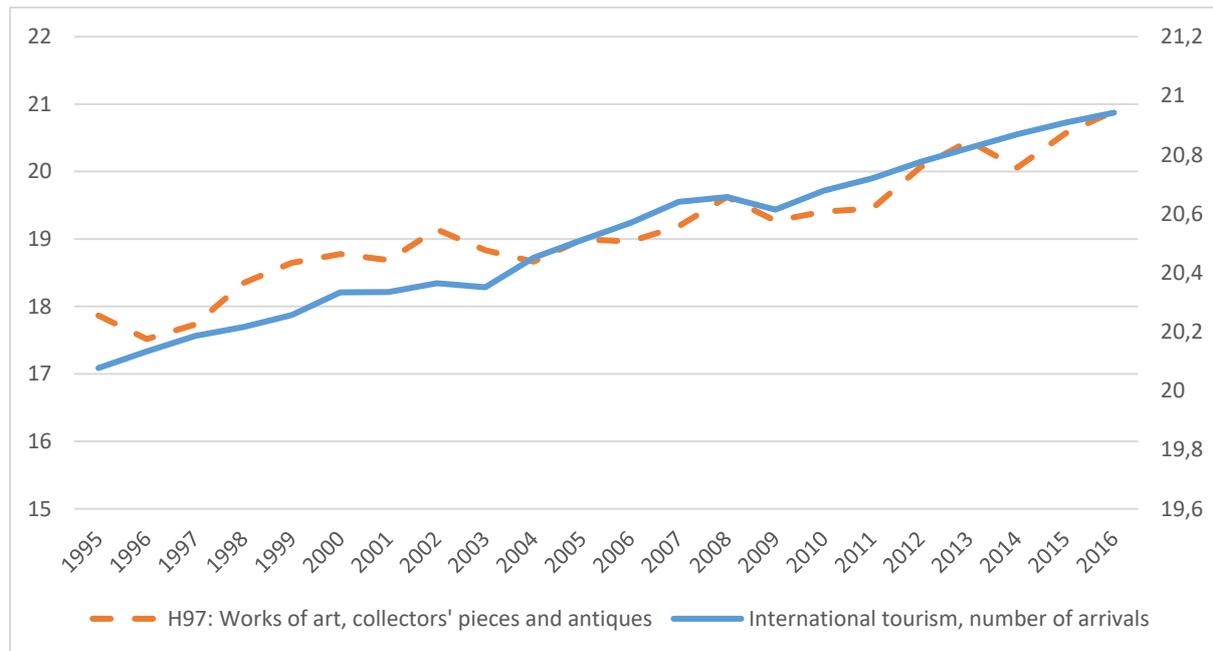


Source: Quantec 2018



Since 2012, South Africa showed a rapid increase in the sale of 'Fine Art'. These levels far exceeded levels of exports previously observed in South Africa. Using a 5 year weighted average to smooth the data, figure 5 shows how the sales of art peaked first in 2013 to 2014 and then again from about 2016. According to Giles Peppiatt (2016), South African art is now increasingly traded internationally bringing in record prices for works of art produced by a small circle of well-known modern South African artists including Stern, Pierneef, Sekoto and Preller, along with the more popular names including William Kentridge, Deborah Bell, Gerard Sithole, Sidney Khumalo and George Pemba.

Figure 6: The relationship between the flow of tourists into South Africa and the export of art, collectables and antiques between 1995 and 2016.



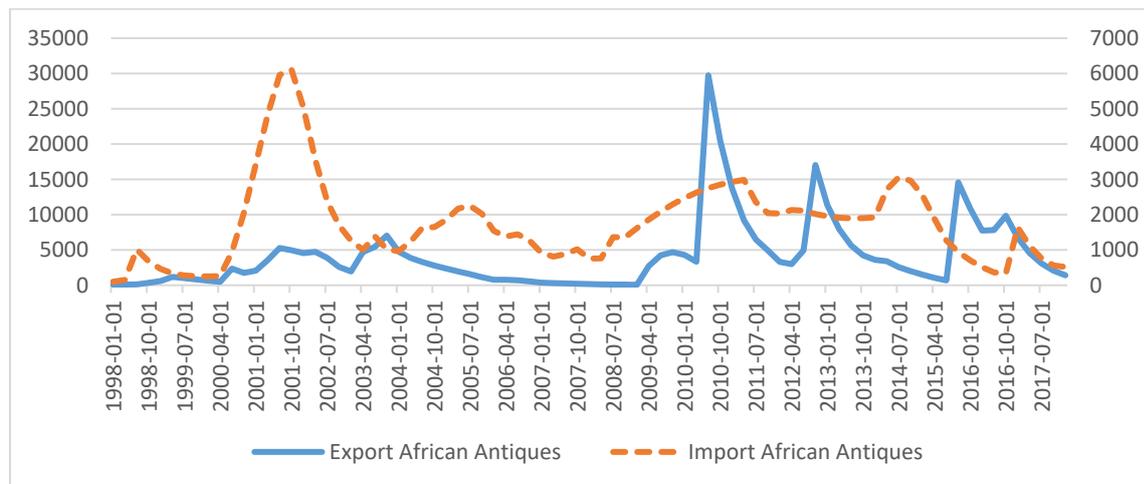
Source: Quantec 2018

There is a 94 percent correlation between the inward flow of tourists and the export trade of art, collectables and antiques from South Africa. Figure 6 highlights that between 1995 and 2016, the relationship was very strongly correlated with an adjusted R^2 value of 0.895. In other words, for every one percent increase in tourism into South Africa, there is a 0.89 percent movement in the export of art, collectables and antiques. The positive relationship describes that as tourism levels increase, so too does the trade in these 'Cultural Artefacts'.

Figure 7 shows the import and export of artefacts to and from South Africa from first quarter of 1998. What makes these specific artefacts so significant is that they almost always contain within them an element of 'cultural value'. Be this from a western perspective such as world war one artefacts or traditional items specific to the people of Africa. This 'cultural value' is specific to the information, subjective norm and institutional importance relevant to religious, social and geographic importance. In regards to this, the 'cultural value' may reflect a price. However, market price only represent a specific relationship between the concepts of demand and supply, while every transaction has two or more perspectives. The perspectives originate from the buyer and the seller, each having their own personal or unique reasons for being involved within the market when trading cultural artefacts.



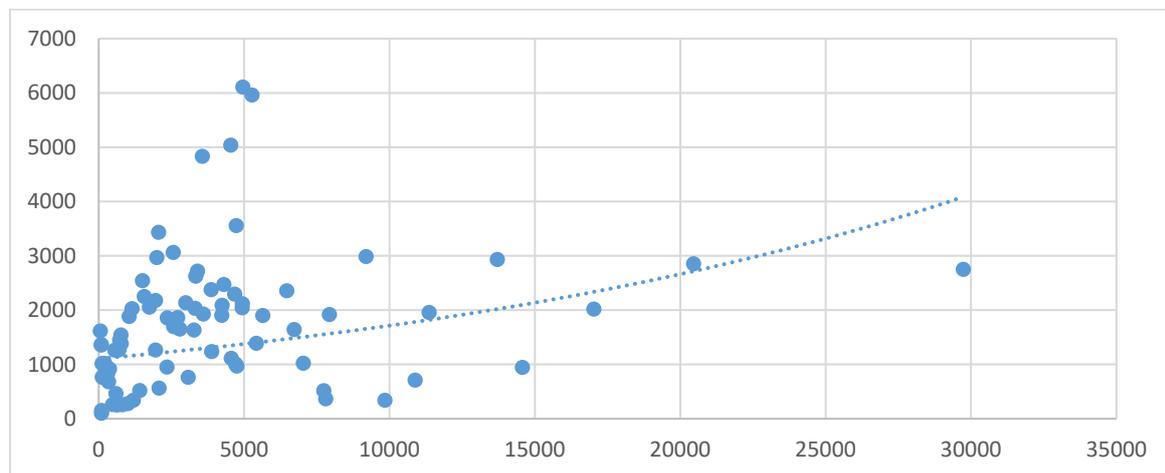
Figure 7: Import and Export of African Artefacts to and from South Africa which are older than 100 years, between 1998 and 2017³.



Source: Quantec, 2018

The solid line in figure 7 represents the export of very old antiques from South Africa, while the dashed line in this figure represents the import of cultural artefacts into South Africa during the same period, between 1998 and 2018. The export of such commodities appears to be more volatile than the import of such items and this relates to the nature of the risk associated with investing in 'Fine Art' as an alternative investment. The level of correlation between the import and export of antiques between 1998 and 2017 was very low, only showing a 24% correlation between the variables. While a statistically significant positive relationship between the flows of antiques does exist, there is a very low adjusted R^2 value of 0.046.

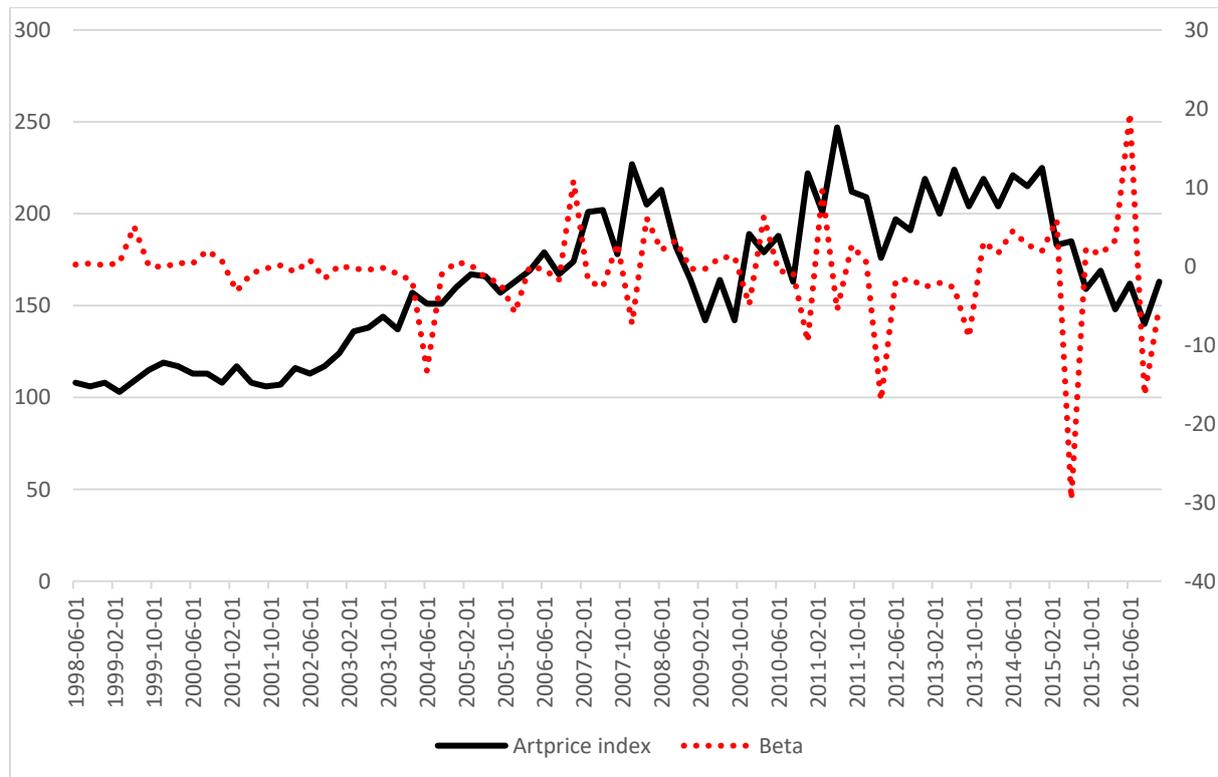
Figure 8: Using a scatter plot to examine the relationship between the import and export of antique artefacts from South Africa. Source: Quantec, 2018



³ The data used for the Import of African Artefacts into South Africa which are older than 100 years, between first quarter of 1998 and third quarter of 2017 shows huge data gaps. This has several reasons, but the most important been the definition and the consistency of reporting. In the case of South Africa, there is always an abundance of information, but for many of the other countries of origin, the availability of this information becomes even scarcer. This point is strengthened by Kabunda (2014) who mentions that sound arts policy in development is often weakened by the lack of good economic data. The data presented here was generated using MATLAB. The missing variables have been extrapolated using a cubic approach and the data was then smoothed through the exponential method of data smoothing. However, this impacts quite strongly on the reliability of analysis in question.

By applying a scatter plot to visualise the relationship between the imports and export of antiques, the plot shows a positive growth relationship using a nonlinear analysis. Clearly the shift from imports to exports of 'Cultural Artefacts' from Africa will be driven by many local and international fundamentals, such as, the growth in demand for works of art by established and recognised South Africa artists. Other factors could be the changing nature of the economic period post the 2008 financial crisis, which has seen several huge structural shifts in the art markets globally (Baur, 2017). Concepts such as risk and uncertainty also play a role in determine the trade flows of such items. Figure 9 indicates the level of volatility that exists in the global art market. This, and supported by previous research, it appears that modelling the market for 'Cultural Artefacts' is challenging in that the market structure is extremely different from other more conventional market forms. Traded works of Art are endowed with characteristics which are very different from most of the other tradable assets within the market.

Figure 9: Examining global art price risk, Beta (β) derived from the Artprice index and S&P 500.



Source: Baur (2017)

The alfa (α) value, indicating the performance of the 'Fine Art' market indicates that the market for fine art underperformed ($\alpha = -150.84$) between 1998 and 2017. According to Baur (2017), the low performance of the market for art is as a result of other factors, such as the assumed value placed on the asset by investors. For example, an investor who chooses to invest in 'Fine Art' may also have a specific preference for that art or artist. Social factors as well as psychological and institutional factors also play a role. Furthermore, the value of 'Fine Art' is seldom static as it has been proved that 'Art' is a 'store of value'. This gives this type of asset very different behavioural trends for investors from other assets traded within the equity markets. For example, equities would be seen as a means of generating profit for the investor, the works of art traded in the art market may be perceived as goods which also hold profit. This may also be a partial explanation for the growth trend in 'Cultural Artefacts' shown in figure 9.



‘Cultural Artefacts’ through the eyes of an economist

Culture “is who we are; shapes our identity; is a means of fostering respect and tolerance among people; is a way to create jobs and improve people’s lives; is a way to include others and understand them; helps preserve our heritage and make sense of our future; empowers people. This is why, they argue, culture works for development.” (Bokova, 2013, p. 2).

Preserving and promoting cultural heritage and cultural products can help reduce extreme poverty in those developing countries that are economically poor but endowed with a rich and diverse heritage. Cultural activities can foster nation building, bridge social differences, and much more (Kabunda, 2014). Cultural economics is difficult to define, as it is placed between several disciplines, most commonly between art history, art philosophy, sociology, law, anthropology, management, and economics. Within the field of cultural economics, it is necessary to make the distinction between the performing arts (music, theatre, opera, dance), the visual arts (paintings, sculpture, art objects), and cultural heritage (museums, historical buildings, monuments and sites). However, there are some overlapping areas between the fields, for example, museums accumulate paintings of some artists in the visual arts who may produce art which is presented in art galleries (Ginsburgh, 2001).

‘Cultural Artefacts’ is a term used in the social sciences, particularly in the world of anthropologists, ethnologists and sociologists for anything that has been created within society from which information about the culture of its creator can be derived. Art and culture are produced by individuals and institutions, operating within the economy, and therefore cannot escape the constraints of that material world (Heilbrun & Gray, 2001). However, ‘Cultural Artefacts’ differ from the standard term for ‘goods’ used by economists.

An economist would refer to an economic good or simply put, a ‘good’, as an object which may satisfy human wants and provide some form of utility (satisfaction or benefit) to the person purchasing the item (Parkin, et al., 2013). While goods may or may not contain elements of cultural significance to the consumer. The cultural significance could have an impact on the utility derived from the good. For example, Ginsburg (2001) mentions that the activities of artists generate externalities that cannot be priced, such as the civilizing effects, national pride, prestige, and identity.

An economic good can also have either tangible (physical) qualities, or intangible (non-material) qualities, or both. In most cases, applying the principals of neoclassical theory, the good should be either tangible or intangible. By economic thinking, or economic analysis, neoclassical theory means the ‘optimal allocation of scarce resources to alternative ends’ (Klein, 2011). Economic goods have constraints, and these constraints are set in the natural world, a world endowed with scarcity.

Furthermore, an economic good will experience scarcity in relation to the demand for that good. It is this scarcity which we derive from the natural world which creates value, and through exchange, price. The possibility of market exchange for cultural goods differ from economic goods as cultural goods such as ‘Cultural Artefacts’ cannot be based on individual calculations of economically rational actors alone, but must be attributed to the social contexts in which actors are ‘embedded’ and that also shape their expectations (Beckert & Rössel, 2013). As such the market for art is closely linked to non-economic, cultural ideas of value because the very monetary valuation of art works is already considered to be a debatable area within the art world.

Intangible goods derive their value from something that does not have a physical measurement. In many modern economies there is a shift whereby economic value is increasingly based on services that have little or no physical content. Intangible goods such as knowledge, education, patents, goodwill, trademarks, branding, information, communication, sustainability and culture are all intangible goods. While intangible goods



have no physical measurement, they have 'form'. 'Form' is derived through institutions, giving meaning to intangible goods. Cultural goods are both tangible and intangible. Tangible in that it has something which has a physical property and intangible in that there is a connection to a specific identity.

Cultural artefacts are different from economic goods as cultural goods are those which are both tangible (physical qualities) and intangible (cultural qualities). Art as a cultural artefact has, throughout the evolution of society, occupied a special position among human activities. Some might rank art as the highest of all callings (Heilbrun & Gray, 2001). Therefore, in economic terms, art is also a "merit" good. In other words, its existence has a tendency to improve the environment for those who are in its presence. While social/cultural generations change over time, art remains constant, holding with it a certain degree of social significance, namely, a store of value. Art as a merit good is transferred from generation to generation as a store of culture, where the value is in its cultural significance (Ginsburgh, 2001). Culture is transmitted via education, not only institutional, but also from parents or elders to children. Since parents can hardly be considered as purely altruistic, an externality is generated, which needs support for efficiency (and equity) reasons.

Economic goods are usually categorised into the degree of homogeneity (standardised). This makes it easier for the economist to explain prices and ultimately value of goods, and the real answer to distribution. This naturally clashes with the nature of cultural heritage, where an important part of understanding cultural artefacts is the concept of heterogeneity (unique). Art works are, with some exceptions, heterogeneous (Baur, 2014). Each creation is unique and markets can hardly be analysed by the usual supply-demand mechanism (Ginsburgh, 2001).

Thus, there is a directional flow of thought from societal to meaning. The interpretation of 'Cultural Artefacts' is usually supported by a cultural platform, which has been constructed to support symbols. Baur (2014) reminds us that society is organised into an infinite number of individual social structures, each consisting of specified individual spheres of cultural composition through which societies generate their own independent meaning systems. While some individuals may consider themselves conservative or liberal, how prepared are they really to tolerate others' political perceptions or views.

While the 'Cultural Artefacts' have an undefined lifespan, the meaning underlying the artefact remains specific to the culture, which has a limited existence, as one culture replaces another over a period of time. Art, or artefacts with cultural significance can act as a record of that specific event which then is in the past. As such, therein is a hidden store of information that carries justifiable theoretical value (Brighenti, 2007). The stored information could be considered hidden, because the interpretation of this information is dependent on the contextual background of the interpreter or reader of the material.

Art is an expression of an assemblage of signs and symbols arranged in a specific predefined form to create meaning. Because symbols are designed to carry meaning, they are chosen to be aesthetically impressive and semantically relevant within a specific contextual social framework (Brighenti, 2007). However, meaning is not universally singular. The value of art goes beyond simple economic value. Art can be educational, life-enhancing and help to define our personal and national identities. The absence of historical art creates an emptiness in the history and heritage of many African countries, and we believe impacts personal motivation, creativity and innovation (Ratha & Kabanda, 2015). It is the interpretation of the signs and symbols presented in that idea that becomes the significant component. In order to interpreting the creative form, there are numerous underlying processes acting upon each other forming emotional responses within the audience. The interpretation of this expression is subjective as the emotional response elicited by the audience is only a construct of the interpreters' own personal and social values and beliefs (Brighenti, 2007).



These values and beliefs should be protected in what is often referred to as cultural democracy. Because values and beliefs are shaped over time the experience of the observer is shaped through a series of life's conflicts, cultures, and social communities within which we interact. This is a product of the entire environment in which the observer gained their life experience and knowledge. The social beliefs are shaped by the collective interpretation through the lenses of society (Baur & Els, 2014). It is important that society be protecting and promoting cultural diversity, and the right to culture for everyone in our society and around the world. Society should encouraging active participation in community cultural life, to enable people to participate in policy decisions that affect the quality of our cultural lives, and to ensure fair and equitable access to cultural resources and support (The World Wide Web center of The Institute for Cultural Democracy, 1998).

The interpretation of items that are 'cultural significant', 'are very much reliant on an observers own interpretation of what the observer would construct as 'meaning' and the interpretation of expression as a notable aspect of culture, where culture is a concept of bounded rationality. The emotional response elicited from 'Cultural Artefacts' should take into account the very diverse environmental, social, cognitive and individual perspectives. "A culture provides very important symbolic and expressional elements that are used for generations as a source of communication between their communities, is a community that will never be forgotten" (ZBC, 2018). The perspective that centres on the interplay between culture and economy has also been expressed in the notion of "cultural economy", which recognizes that the "economy" is bound up with processes of social and cultural relations (Kabunda, 2014).

Analysing the Buyers and Sellers of 'Cultural artefacts'

The leading problem when analysing the cultural sector is the sheer lack of homogeneity that exists for 'Cultural Artefacts'. Baur (2014) mentions that while 'Cultural Artefacts' may hold 'value', it is near impossible to predict the return to the investor. Those choosing to invest in 'Cultural Artefacts' have a different set of principles to invest in that type of asset as opposed to an investor in equities. These 'principles' are often in themselves connected to a form of cultural bias, which is then, also embedded into their own unique social constructs. From this perspective, there is no predetermined structure from which to measure a singular value, which could be placed onto that asset. The most common trend used to measure such a 'value,' is found in the construction of price index systems, employed by different 'institutions' which may have an influence within the market of artefacts. The institutions themselves could be both private and or public, such as a museums, galleries, auctioneers, etc., all holders of 'expert' opinion.

Furthermore, there are a lot of unrecorded transactions happening, mostly within the informal sector. The lack of data clearly makes the cultural industry more exclusive, and in some cases, brings it within the fundamentals of the 'illicit' economy. The reasons for this, includes the difficulty to measure the true value of the intangible and tangible aspects of the arts in purely quantitative terms. Notably is the reluctance of art communities to push for what they see as the "commodification" of the arts. Furthermore, many services within the arts industry are cash-related transactions, and are not always reported.

From a seller's perspective, the exchange of cultural artefacts can, serve beyond creating an income. The income can take the form of a commodity such as gold, diamonds or other precious metals, which can be converted into an independent currency, ranging from hard local cash to the more abstract crypto currency. This too, can be used to perform certain functions, depending on the nature of the deal.

The buyer's perspective may reflect some similarities in motivation to that of a seller, but fundamentally, the similarity rests only at a grass root level. In purchasing culturally significant artefacts, the buyer may have additional motives beyond wishing to hold such goods for simply



intrinsic purpose. These could include a form of investment, generating return or as a store of value. Such artefacts may also act as a financial security, which resemble a more dynamic futures contract than a static object, endowed with 'cultural significance'. On the other hand, even as an object of intrinsic value, forming a part of a grander collection within a private museum, there is a secondary purpose, namely the preservation artefacts of 'cultural significance'. As a collective good, there is no specific restriction on who would benefit from such goods. Nonetheless, the storage of an artefact removes such an artefact from the definition of a collective good. In other words, the artefact becomes exclusive to the beneficiary, or no one at all.

While an artefact remains in the bounds of a collective good, then everyone might benefit, assuming unrestricted access. Restrictions would include entrance fees and privacy of ownership. For example, 'Fine Art' produced by a famous artist on display in a state owned museum, such as the Mona Lisa in the Le Louvre museum in Paris, or pieces from Nicholas II's private collection, including paintings and drawings, housed in the State Hermitage of St. Petersburg, Russia, may be considered as collective goods.

Therefore appropriation of art or artefacts of cultural significance could fall into the definition of collective goods, namely those found in the British Museum, which boasts the Egyptian gallery displaying the world's second largest collection of Egyptian antiquities outside Egypt, including the Rosetta stone. For most of these examples, the public sector, or greater society has access to such artefacts of 'cultural significance'. There are however levels of benefits (positive externalities), some being measurable, such as the revenue generated to view collections. There remains the non-measurable benefits, such as the pleasure derived from being physically in the presence of an artefact. For example, 'The Flood Tablet' currently held in the British Museum, originating from 7th century BC, Syria. Revenue collected is used for preservation of items of 'cultural significance', and thus also serves as means with which to categorise an item of cultural significance into a 'store of value'.

Items that are removed from greater society, do not fall into the space which would define them as a 'collective good'. By removing the artefact from a space which would be considered as a positive externality, results in one that automatically translates into a negative externality. For example, the 'Malagana Treasure', originating in Colombia, having a positive externality in a museum, but once stolen or removed, and melted down to a chunk of gold, becomes simply a means of exchange in the illicit economy. Incidentally, the area in which this item was found has been subjected to looters, and it is estimated that millions of pesos worth of goods have been stolen and possibly destroyed. However, the trade in the illicit economy does not pre-empt that artefacts of 'cultural significance' will be destroyed. There is also a possibility that such items would be exchanged and traded in these markets, which may even aid in the preservation of such items. Due to the nature of the 'Illicit economy', an area of little regulation. The motion of upstream preservation may have negative downstream consequences, such as the funding of illicit military and social activities.

Modelling the Relationship between 'historical' cultural artefacts, art and tourism

The cultural industries generate significant economic value, while including social and cultural value too (Kabunda, 2014). This is very much a function of the institution, which may be either formal or informal. However, beyond the institution is the legal, political, cultural or administrative functions. These institutional functions give the institution 'Form' (shape).

Informal 'Form', would include socio-cultural behaviour or norms, sometimes representing the 'non-rational' behaviour of the economy. Formal 'Institutional functions' make up the rules and regulations of society. Form (shape) can take up the characteristics inherent in perceptions, tastes, attitudes, relationships, aspirations and other beliefs related to 'human behaviour'. In



other words, this would be the essence of an individual's subjective experiences, or the 'socio-cultural' factors. It is noted that 'Formal' and 'Informal' are not binary oppositions of each other. For example 'Government' (formal) and 'Culture' (informal), are embedded into each other as suggested by (Kauko, 2004).

Sometimes as seen in Chinese business culture, there appears to be a feature where antediluvian tradition merges with modern business practices. In an article by Tsang (2004), it is mentioned that the art of Feng Shui is as important for good business practice, as is the product or service been offered. Chong, Guillen and Riano (2010) illustrate that formal and informal variables can interact with each other to generate better governance of companies.

This section presents a model which may be suitable to analyse of this relationship between the formal and the informal structure inherent in historical items which hold 'cultural significance'. Initially, the modelling process will be based on ordinary least squared analysis. The analysis of the data will be maintained in order to ensure statistical significance and accuracy of the data been analysed. The Gauss–Markov theorem, proposes that when working with a linear regression model, all errors should have an expectation of zero, errors are uncorrelated and have errors within the model should have equal variances' this is achieved using the Best Linear Unbiased Estimator (BLUE). All data is indexed to 1998, quarterly, using 81 quarterly observations from first quarter 1998 to first quarter of 2018. The analysis is done using MATLAB.

Institutional form (shape) is given as 'formal' and 'Informal'. Formal is structured and have a political component, and are regulated by the institution. The variable chose here is the Global Artprice index (GAPI), published by ArtPrice.com. Other indices are in circulation, such as the Citadel art price index and the Mei-Moses index. The choice of using ArtPrice.com is that it is available to a larger share of the market, and while designed as a market indicator, also has a large global reach.

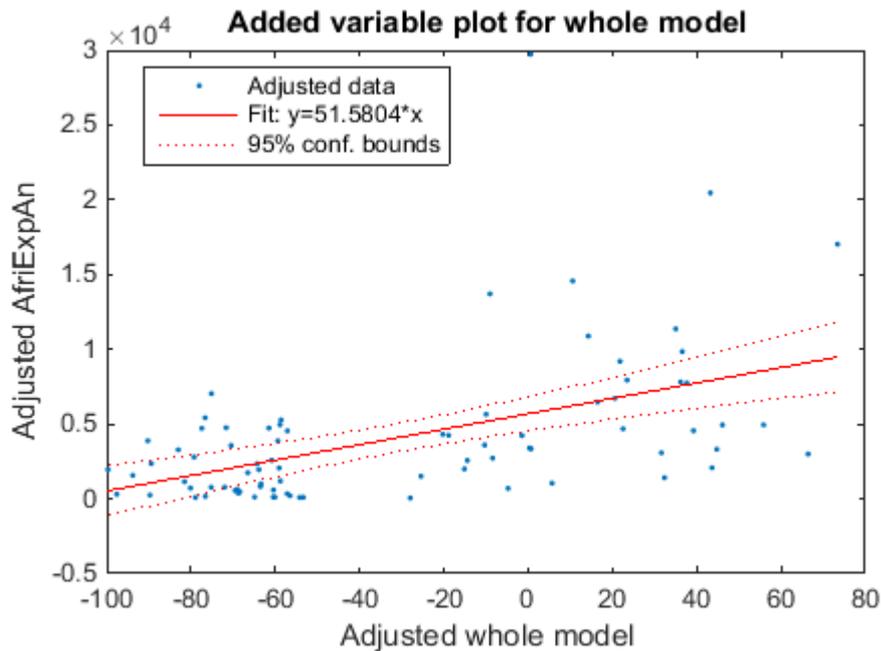
Informal market indicator is the Gold Price index (Gold). The Gold Price index reflects market confidence, and is informal as the individual players in the market will use buying and selling of gold as a risk augmentation tool, yet are not curtailed by its value. Gold is a 'store of value' which is useful if an investor wishes to have hold a high liquidity option as well as diversify of risk. The gold price index is an important market indicator, in that it provides the overall market with a suitable indicator of market uncertainty.

For this model, the dependant variable chosen is the export of antique artefacts which are greater than 100 years old from Africa is (*AfriExpAn*). This data is quarterly based and is made available by Quantec (2018). The independent variables include the Global Art Price Index (APIG) and the Global Gold price Index. ϵ represents the error term.

The Linear Regression Model, using OLS, will take the form of: $AfriExpAn = 1 + APIG + Gold + \epsilon$

When examining the estimators, APIG is negatively related to the export of 'Cultural Artefacts' from Africa. While statistically significant, the negative sign means that while the trade in art increases, the sale of 'Cultural Artefacts' decreases. This could imply that the market for 'Cultural Artefacts' is a substitute market, namely, the market for antiques has its own set of 'rules' that investors follow, which is different from other markets. Gold shows a positive relationship, indicating that it behaves in the same way as art market, as a store of value (Baur & Els, 2014). The Adjusted R² value is 0.232, implying there are other 'informal forms' that should be taken into consideration. This could include the investor in such items, the museum factor, the trade in the illicit economy and the role and motivation of private collectors. Interestingly enough, the inclusion of the independent variable of Tourism into this model increases the value of the model, but is statistically not significant. Therefore, as with the art market, where tourism has a positive relationship on the trade of art, there is a less obvious relationship between tourism and the trade of artefacts of 'cultural significance'.

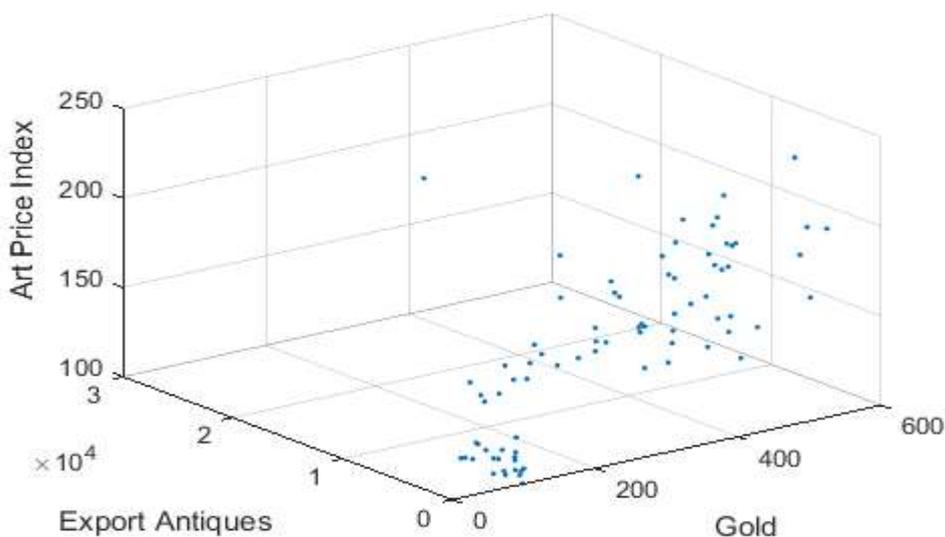
Figure 10: Plotting the estimates for the model.



Source: Derived from data analysis.

The positive slope seen in figure 10 and figure 11, indicates a growth in the overall trade in the market of 'Cultural Artefacts'. This could be due to changes in overall market uncertainty, the growing interest in alternative investments and the growing importance in the world to preserve historically important cultural artefacts.

Figure 11: Using a three dimensional scatter plot to examine the relationship between the export of 'Cultural Artefacts', International Gold Price and Global Art Price index.

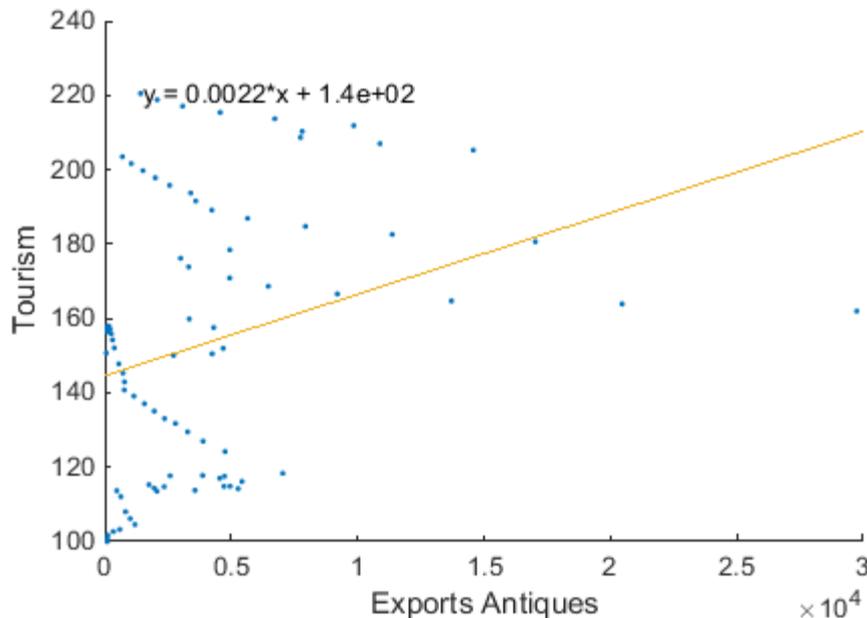


Source: Derived from data analysis.

The distribution of the intercepts of this data shows a slight positive trend. While the distribution appears to have few outliers, the broad distribution could indicate uncaptured changes in

market behaviour, and additional unexplained variables which will need to be factored in during the course of further research.

Figure 12: Examining the relationship between Tourism and the Export of artefacts of 'cultural significance'.



Source: Derived from data analysis.

When examining the relationship between Tourism and the trade in 'Cultural Artefacts' of historical significance also demonstrates a positive relationship, yet is less statistically significant than the relationship between tourism and the trade of Art. There are a number of plausible explanations for this relationship, which falls outside of the scope of the current paper. Yet, one explanation worth mentioning here is that 'collectors' of 'Cultural Artefacts' may have a different behaviour to the 'tourist'. This changes the dynamic of the market, and requires further investigation and analysis.

Conclusion

There is no denying that the flow of tourism is beneficial to countries or regions, especially to those developing regions where tourism accounts for a larger share of the economic output. The spending by tourists in local markets has a large multiplier effect, generating millions of jobs, supporting household incomes, and protecting a vast amount of individuals from the horrors of poverty. Much of the spending of tourism in local markets goes towards supporting local artists, producers or manufacturers. Much of what is traded holds within it some form of cultural signature, forming the basis of trade in 'Cultural Artefacts'. Cultural artefacts are found in all walks of life, from food to Art. With such diversity of culture, there appears to be no basic formula that can be applied amongst the researchers which clearly defines the value of an artefact of 'cultural significance'. Tastes and preference, political views, social standing, even level of income could impact on how an individual would perceive a 'Cultural Artefact'.

This has led to new dimensions of opinion, an explosion of views across the world by students, leaders, businesses on the inherent value of such perceptions derived from such artefacts. Colonialization is often blamed for the total disregard of national heritage. Some institutions within countries try and protect what items they may have, others continue to protest and demand the return of those cultural artefacts which they believe to be of importance to them.



Within South African there have been a surge of protests across the country where students have demanded that their beliefs and their cultures should once again be recognised amongst the archives of globalisation. This is mirrored by the fact that international borders are slowly dissolving, new cultures are been established, but old cultures should not be forgotten. The introduction of concepts such as the fourth industrial revolution and the growth of multinational corporations, both electronic and other, have opened the door for people to question the way in which they fit into a business world, where interconnectivity is at its greatest, and cultural identity is foremost.

The preservation of historical items of 'cultural significance' is becoming more important on a financial level than ever before. The trade of these items is growing, international dealers are developing better and bolder strategies to purchase such items. While the market provides leverage for the trade, the preservation of culture by institutions should be foremost on the agenda of international institutions.

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