Information, Bargaining, and Relationships: Cultural Goods and Art in the Bazaar Economy in Western Markets

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1 Introduction

Cultural goods, particularly artworks, are exchanged through a diverse array of channels that vary significantly in terms of the agents involved, the quality of goods circulated, and the level of market institutionalization. These channels range from highly structured and formalized markets to more fluid and less regulated settings. Most economic research in the cultural field has focused on the high-end, formal market segment, where transactions are documented, contracts are enforceable, legal accountability is clearly defined, and authenticity and provenance are systematically verified.

By contrast, the lower tiers of the market remain significantly under-explored. Some of these less formalized arenas rely on self-regulation, social norms, or reputational mechanisms to govern exchanges. They include a variety of contexts often grouped under the umbrella of "informal markets," which can be negatively defined as settings where codified exchange rules and institutional enforcement are missing or only weakly

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applied.[1] Examples include peer-to-peer transactions, digital gray or black markets, and segments of the underground economy.

In this chapter, I focus on a specific subset of these informal markets: what I refer to as the "bazaar economy." This subset is characterized by face-to-face negotiation, flexible pricing, and a strong reliance on personal networks, trust, and non-standardized cues of quality and authenticity.[2] It encompasses a variety of settings, such as traditional bazaars, flea markets, some open-air or street markets (List, 2009), and hybrid cases such as the so-called "cul de camion" or "back-of-the-truck sale".[3] While typically offline, some contemporary informal exchanges begin on digital platforms (e.g., Facebook groups or messaging apps) and culminate in in-person negotiations, preserving the above-mentioned core dynamics of the bazaar economy. These markets host a broad array of cultural goods, including crafts (e.g., handmade ceramics, textiles, wooden sculptures), vintage or second-hand items (e.g., vinyl records, old books, posters), folk and devotional objects, unsigned artworks, and ordinary antiques. While typically associated with low-visibility or uncertified goods, these markets occasionally feature items of significant cultural or economic value (so-called "sleepers," see below) that may be overlooked or misattributed at the time of exchange.

The modelling of the entry-level segments of the art market proposed in this volume suggests that low-end cultural markets should not be defined solely in terms of price, but also through dimensions such as functionality, scarcity, and quality. Such an approach presupposes contexts in which these attributes can be reasonably observed and compared. Bazaar-type markets, however, operate under conditions of significant informational asymmetry, in which functionality, scarcity, and quality are often uncertain, difficult to verify, or socially constructed through interaction. For this reason, the present chapter does not attempt to

[1] While these distinctions between formal and informal markets are not always clear-cut, they provide a useful analytical framework.

[2] Although the focus here is on fully informal contexts, informal markets often lie along a spectrum of regulation, ranging from entirely unregulated exchanges to semi-informal settings, such as licensed flea markets in France or Italy. It is also worth noting that, while the bazaar economy may partially overlap with the underground economy (particularly when transactions are undocumented or untaxed), it is not reducible to it: not all informal exchanges are illicit, and not all illicit exchanges follow a "bazaar economy logic."

[3] This term refers to an informal practice where itinerant merchants display and sell their goods at the very beginning of a fair or market, often before the official opening.

operationalize these dimensions directly, but instead focuses on the informational and relational mechanisms through which value emerges in such settings. Nonetheless, even under conditions of informational asymmetry, some of these dimensions, particularly quality and scarcity, remain conceptually relevant, especially in shaping value within these markets.

Following Geertz (1978), I will first identify the main characteristics of these markets and report the relevant literature that covered them, related to cultural goods as well as other product categories. There is no universally accepted formal definition of "bazaar economy" in the economics literature; to my knowledge, Geertz's analytical framework, centered on personalized bargaining, information asymmetries, and social embeddedness, remains the most coherent and influential reference point. This contribution builds on and extends that approach by considering additional aspects such as value uncertainty, network effects, and transitions to formal markets, proposing a research agenda outlining how future studies might develop.

This chapter contributes to the growing focus on an overlooked segment of the cultural goods market, particularly within the economic literature, where these exchanges remain underexplored. Gaining insights into the dynamics of these markets is crucial for understanding broader market phenomena. As the chapter is framed within an economic perspective, the reviewed sources are primarily drawn from economics and related disciplines. Examining these informal settings can also shed light on how certain issues that affect the higher tiers of the market, such as the emergence of "sleepers" (e.g., Marrone & Beltrametti, 2020), the circulation of fakes (e.g., Bocart & Oosterlinck, 2011), and the origin of criminal exchange of cultural goods (e.g., Oosterman & Angelini, 2021), come into play. The goal of the chapter is then to highlight existing gaps in the literature and suggest avenues for future research that could offer a more complete understanding of bazaar economy markets. This will also contribute to a deeper comprehension of how both economic and cultural value are formed and sustained in cultural markets more broadly (Angelini & Castellani, 2019).

As a caveat, since most of the reviewed literature comes from Western sources, this chapter does not aim to provide a comprehensive account of the global functioning of bazaar economies. This reflects a broader Western research bias that still characterizes much of the cultural economics field. Moreover, I have taken care to avoid transposing Western market concepts onto informal contexts, whose dynamics may follow different economic and cultural logics. Nevertheless, some of the discussed issues may also apply to non-Western settings.[4]

2 Previous Research on Informal Markets and the Bazaar Economy

While some recent papers begun to explore low-end cultural markets from an economic perspective (e.g., Radermecker, 2022; Angelini et al., 2022), the characteristics of informal markets and of the bazaar economy regarding cultural goods have not yet been studied in a systematic way. I will discuss below how information, relationships, and mechanisms are identifying features of the bazaar economy. Among these characteristics, the role of information in economic transactions has been a central theme in economic discourse for at least six decades, as demonstrated by foundational works by Stigler (1961), Nelson (1970), Akerlof (1970), and Darby and Karni (1973). Similarly, the analysis of relationships and networks (e.g., Jackson et al., 2012; Choi & Storr, 2020), as well as trade mechanisms (e.g., Binmore et al., 1986; Wolinsky, 1987), have also received significant attention in the economic literature. Despite the relevance of these characteristics to broader economic theory, there has been limited economic inquiry into how informal markets function, particularly for cultural goods.

Focusing on the bazaar economy, one of the seminal works, at the intersection of economics and anthropology, was the short paper by Geertz (1978) in the *American Economic Review*, which outlined and emphasized the main characteristics of the bazaar economy, namely the importance of interpersonal relationships between agents, the specific mechanisms of exchange employed, and the crucial role that information plays in these transactions. His observations come from the bazaar economy of a Moroccan city, Sefrou, in the 1960s, but these insights

[4] While this chapter primarily focuses on Western literature, several recent works have contributed to the analysis of cultural and art markets beyond the West. See, for example, Duarte and Pérez-Ibáñez (2023) and Shaban et al. (2022). The former includes contributions by Vermeylen and Bhat (2023), who discuss both traditional and informal art markets in India since the 2000s, as well as Hutter (2023), who examines informal economies and the role of "art games" in African contexts. The volume edited by Shaban, Vermeylen, and Handke also explores the role of informality across various sectors of the Indian creative economy.

appear applicable to many contemporary digital and physical market settings. In this economy, information is "poor, scarce, maldistributed, inefficiently communicated, and intensely valued" (ibid., p. 29), generating important transaction costs, in particular search costs. These costs, especially for non-standardized goods, tend to refer to the intensive rather than the extensive margin of search, namely trying to gain more information about the good from the same seller, instead of trying to obtain information from different sellers and then make a choice, as also confirmed by List (2009). The absence of any type of advertising, together with frictions in how information is shared in other ways, makes the evaluation of quality and, hence, prices a difficult task. This makes information even more important, for both those who lack it and those who own it. In that, wider discrepancies in information availability with respect to formal markets and the scarcity of signals that could help in the evaluation of the cultural goods (Angelini et al., 2022) make other characteristics more relevant, such as the skills in interacting with the agents operating in these markets and in the exchange itself, the luck in finding more valuable goods, and the privileged access in interactions with counterparts. Geertz also suggested search procedures aligned with the availability of these characteristics and information, namely bargaining, concerning price formation, and clientelization, regarding the potential reduction of information discrepancies. Both mechanisms are less commonly observed in other segments of the market.

A more recent and notable exception to the general lack of research on these topics is List (2009), who experimentally studied incentives to cheat within collusive agreements between sellers in open air markets, finding aligned results in the laboratory and in the field experiments conducted. In particular, the US-based open-air markets considered by the author were characterized by agreements between 2 and 4 sellers on the selling prices, which were infringed more frequently in certain cases: when the number of sellers was higher, when the days were more hectic, and when the sellers had fewer collusive agreements across the various markets they operate in. List also reported a series of facts observed in the open-air markets, which are in line with (and/or derive from) those discussed above: these markets are characterized by the opportunity for the seller to gain from price discrimination on an individual basis more easily than in other markets where prices are posted. In addition to that, there is a general level of suspicion that nothing is what it appears to be, with respect to non-standardized goods such as cultural goods.

A final couple of papers worth mentioning in this brief review are van Ours (1991) and McCrohan and Sugrue (1998), where the authors investigated the socioeconomic status of households referring to informal suppliers to purchase goods and services, with mixed results. The former explored the status of buyers in the Netherlands, finding that those who turned to informal markets (for certain products and services) have a lower family income, while the latter found for the US that informal markets consumers had higher family incomes. These papers did not focus on cultural goods.

Given the scarcity of the current investigations into the bazaar economy for cultural goods, two paths should be pursued in future research on these issues: there is a need to analyze the role of the characteristics already identified, with particular attention to cultural goods; on the other hand, further characteristics can be identified and then investigated. The next section discusses a research agenda to advance both lines of inquiry.

3 A Research Agenda for Future Investigations into the Bazaar Economy for Cultural Goods

Characterizing a market is not an easy task, as it requires considering different features separately, despite their strong interdependence. Characterizing the bazaar economy is no exception. However, examining each aspect in detail is useful for planning future research developments, whether addressing individual features or exploring their interconnections.

3.1 Examining the Previously Identified Characteristics in Greater Depth

Information

Regarding information, the first matter concerns the sources available in the bazaar economy markets, particularly the signals and both intrinsic and extrinsic cues that help determine the value of cultural goods (Angelini et al., 2023b). These signals and cues are generally more prevalent and reliable in formal markets; examples are the artist's brand, the artistic movement, and the origin and the provenance of the goods. In bazaar economy markets, however, these sources of information might be less accessible or entirely absent, leading to a more uncertain environment for buyers and sellers. For instance, the presence of authenticity certificates or provenance records can significantly influence market outcomes. In bazaar economy contexts, one or more of these sources may be totally missing, thereby creating specific market scenarios. It becomes key, then, to identify which information is generally available for each typology of cultural good exchanged in the bazaar economy, in order to assess whether this information affects price and salability. Two further research paths stem from this observation: whether broader internet access can reduce these asymmetries, and whether digital information has any impact in contexts where both sellers and buyers share limited knowledge.

A major concern (relevant to formal markets as well, though to a lesser extent) is the reliability of the available information. Uncertainty about the trustworthiness of a source can alter how people assign value to an object, whether in economic, cultural, or other terms. In these markets, information search costs are particularly shaped by two factors: the accessibility of information and the credibility of its source. Analyzing these aspects can provide insights into the functioning of these markets and the role of trust in the absence of formal certification mechanisms and institutions. For instance, a vintage print found at a flea market may lack any provenance record, label, or artist signature, forcing the buyer to rely entirely on the seller's narrative or visual cues (such as paper quality or printing techniques) to assess its authenticity and value.

Relationships

Given the previously identified characteristics of relationships in the bazaar economy—such as trust, privilege, contract repetition, and seller collusion—it remains unclear whether these features are present and function in the same way across different countries and time periods. The evidence discussed above is drawn from three countries (Morocco, Netherlands, and the USA) and pertains to distinct historical moments. This limitation is partly due to the dominant methodological approach in studies of the bazaar economy, which often relies on anthropological methods. While these provide rich, in-depth insights into local dynamics, their generalizability remains uncertain.[5] The extent to which these characteristics operate in other geographic and temporal contexts has remained systematically underexplored. Expanding research across different regions and time

[5] For a discussion on case-study research, see the interesting analysis by Flyvbjerg (2006).

periods, where possible, would not only improve our understanding of the persistence and adaptability of these mechanisms but also clarify whether they are structural features of the bazaar economy or contingent upon specific socio-economic conditions. Moreover, any attempt to broaden this analysis geographically must address key challenges such as the limited availability of reliable data, the difficulty of translating analytical categories across cultural contexts, and potential ethical or political sensitivities, especially in settings involving illicit trade.

Reputation, too, plays a key role in trust-building, though through different mechanisms than in formal markets. Rather than institutional signals, credibility here stems from repeated interactions, word-of-mouth, and local familiarity. These informal cues shape expectations and behaviors and warrant further investigation to better understand how trust operates across diverse bazaar economy settings.

Exchange Mechanisms

Bargaining, as practiced in the bazaar economy, can be analyzed using a game-theoretical approach. Previous studies have used this framework in cultural markets (e.g., Angelini & Castellani, 2018; Angelini et al., 2022), considering the role of information asymmetries in both bilateral monopoly settings (a single seller and a single buyer) and decentralized markets with multiple agents. However, empirical analyses of these value formation mechanisms remain absent in the cultural economics literature. Outside this field, such studies are primarily based on experimental findings (e.g., Nydegger & Owen, 1974; Fischer et al., 2006).

Cultural goods are often complex and symbolically charged. Their quality and value are not fully observable before, during, or even after the transaction, as they depend heavily on indirect signals, contextual interpretation, and social validation over time. Rather than functioning as experience goods, they resemble what Ekelund et al. (2020) call "meta-credence goods"—goods whose evaluation relies on sustained belief systems and external cues, and whose economic and cultural value may remain uncertain or contested even post-purchase. While this applies to both formal and informal cultural markets, the institutional arrangements, contractual norms, and types of agents involved in the bazaar economy differ substantially from those in formal settings. In such contexts, even quality (already partly inferred in formal markets) becomes more explicitly an object of negotiation and interpretation, given the absence of standardized certification and enforcement mechanisms. These differences crucially shape how value is constructed and negotiated. This aspect has, to my knowledge, not yet been addressed in cultural economics. A comparative analysis of how individuals negotiate the exchange of goods with recognized quality and value (e.g., from the high-end market) versus goods with uncertain quality, limited information, or less reliable sources (e.g., from the bazaar economy) is still missing from literature.

3.2 Exploring New Paths

Legal Frameworks (and Policy)

The legal landscape of the bazaar economy is highly fragmented, with significant differences across countries (reflecting the cultural heterogeneity previously discussed, including within Western countries). Some markets operate in regulated environments (such as licensed flea markets or second-hand vendor registries), while others function in "legal gray areas" where enforcement is weaker. Despite these variations, it is useful to investigate whether common principles apply across different contexts.

One key issue is liability: who is responsible when disputes arise or when counterfeit or illicit goods are sold? In formal markets, liability typically falls on sellers or intermediaries, but in informal settings, accountability is harder to define. Individual vendors may operate without legal recognition, and enforcement agencies often struggle to regulate transactions effectively. For example: should liability also be extended to buyers, penalizing the purchase of counterfeit goods?

Another relevant aspect is due diligence requirements. In regulated sectors (e.g., cultural goods, precious stones, high-value art), buyers and sellers must verify provenance to prevent illicit trade. In the bazaar economy, such mechanisms are rarely enforced, raising questions about whether and how responsibility for verification should be assigned. Similarly, laws against counterfeit goods vary widely: while some countries impose strict bans, others tolerate trade due to economic or enforcement constraints.

These aspects should be examined in greater depth to determine whether common regulations or customs exist in general, facilitating a comprehensive study of the bazaar economy, or whether distinct peculiarities emerge at the national or regional level. Understanding how different regulatory frameworks influence the functioning of the bazaar economy could also provide insights into the balance between oversight and informality.

Illicit Objects Passing Through and Hidden Opportunities

Policymakers are increasingly concerned about the illicit trade of cultural goods, although research on this issue remains limited (e.g., the RAND report by Sargent et al., 2020). While some of these goods are created specifically for the market (as in the case of well-known forgers like John Myatt), in all other cases they "enter" the market somehow. A key research question, therefore, is whether forged or stolen artworks and antiquities infiltrate the traditional market via low-end informal exchanges. Tracking how problematic goods emerge and circulate within the bazaar economy could reveal critical intervention points.

Furthermore, understanding the buyer profile is essential. Less-informed individuals, who lack expertise in recognizing forgeries or stolen items, are likely to be more vulnerable to fraud.[6] This suggests that illicit objects may first pass through buyers unaware of their true nature before resurfacing in higher-tier markets, sometimes aided by retroactive documentation or by passing through intermediaries who "sanitize" the provenance of the object. In this sense, the informal market can act as a staging ground for the eventual legitimization of problematic objects.

However, not all such goods are fraudulent. Some undervalued items, known as "sleepers" (Marrone & Beltrametti, 2020), may be misidentified or overlooked within informal markets before being recognized as valuable. These may be acquired by informed intermediaries (dealers, collectors, or curators) who then channel them into the formal market, often after authentication or contextual reframing. Other items may gain cultural legitimacy post-sale through institutional recognition or inclusion in curated exhibitions. Studying how these objects transition from informal to formal settings could provide insights into both illicit trade mechanisms and overlooked opportunities within the art market.

Agents

Agents operating within a market play a fundamental role in shaping its dynamics. Their characteristics, such as wealth, expertise, and their ability to process information, are critical in determining market outcomes (van Ours, 1991; McCrohan & Sugrue, 1998; Evers & Seale, 2015a). Additionally, the frequency with which these agents participate in informal markets (whether as sellers, buyers, or both) can further influence their

[6] This has been proved in other markets, finding also a role of age and income in the probability of incurring in frauds (Lee and Soberon-Ferrer, 1997).

behavior and the overall market environment. The experience level of agents, coupled with their familiarity with the market, often determines their negotiating power and overall success in these settings. Understanding who the agents are in the bazaar economy helps clarify how relationships take shape in this context. While sellers are often more familiar with the market than buyers, this is not always the case, and different configurations of knowledge and experience may emerge. In fact, experts, traders, and owners of higher-tier cultural goods shops engage in this type of market either to acquire goods at lower prices for resale or to expand their collections cost-effectively. This market failure is not only linked with information availability, but also with how information is processed and influenced by behavioral biases.

Furthermore, different trading venues serve different strategic needs for both buyers and sellers. Some agents prefer informal markets because they rely on reputation and discretion rather than formal regulation, especially when transaction values are low, verification costs are high, or when certain goods would not be accepted in more institutionalized channels. In other cases, repeated interactions and relational proximity substitute for legal guarantees. These patterns suggest that participation in the bazaar economy is not only driven by necessity, but can reflect deliberate preferences. Understanding which agents are drawn to these settings, and why, is an open question that deserves further empirical investigation. Finally, an exploration of the type of agents available in each market (depending also on the goods exchanged, e.g., old books vs. antiques vs. craftsmanship) would also inform possible policies and regulations of these trades.

Behavioral Specificities

Agents form relationships that help them reduce issues related to information availability. However, the existence of behavioral biases increases the complexity of this process. In fact, these biases significantly impact pricing and the likelihood of transactions, both in general and within the specific context of bazaar economy markets. As highlighted by Angelini et al. (2022), the high level of uncertainty in the lower end of the market increases the likelihood of overconfidence (which may manifest as overoptimism or overspecification) among sellers, buyers, or both. This overconfidence, in turn, affects final selling prices and the probability of a transaction occurring, as demonstrated in the above-mentioned paper by using a bargaining exchange mechanism, aligning with real-world market dynamics. How strong these effects are in the bazaar economy remains an open question. In particular, the intensity of these biases and distortions, if they exist, may vary depending on the type of goods exchanged and the characteristics of the agents involved.[7]

Another important aspect related to these distortions concerns the nature of relationships between agents, which can be characterized by strong or weak ties, in the sense of Granovetter (1983). These ties further influence the interactions by introducing varying levels of trust (potentially explaining what has been mentioned by Geertz). Trust, or the lack thereof, in fact plays a pivotal role in shaping market outcomes, especially in environments where formal verification and guarantees are scarce. Bazaar economy markets can then be an important study field, given their characteristics and the potentially varying strength of the agents' relationship, which may depend on the cultural background of the place hosting the market, as well as on the cultural features of the agents operating within it.

Value Formation Mechanisms

An interesting avenue for further research concerns the formation of value in the bazaar economy markets. The uniqueness of a good, particularly in these markets, can profoundly impact how agents interact and negotiate the final price, as also discussed by Geertz (1978) and List (2009). However, uniqueness is harder to characterize in the bazaar economy, due to the limited availability of information, not only about the goods themselves but also about their presence across different informal markets. A seemingly rare item may indeed be rare or, alternatively, may be widely available yet dispersed among various resellers, making it difficult for buyers to assess its true scarcity. Consequently, economic value is largely shaped by the perceived rarity of goods. In this respect, scarcity plays a central role, although it operates here as a matter of perception and inference rather than objective verification. Exchange mechanisms suggested by Geertz are clearly at work in forming the economic value of those goods, though, as discussed in the previous section, bargaining may sometimes be based on distorted valuations.

It remains unclear how cultural value is assessed in these markets: this type of evaluation is surely made harder by information scarcity and asymmetry and can be critical to recognizing whether such value exists

[7] This may be due, for example, to their different experience (e.g., List, 2003).

at all. As in the high tier, this value is related to the economic one (Angelini & Castellani, 2019). It is conceivable that a form of bargaining may also occur in the construction of cultural value. During negotiation, the two parties may exchange information about the good's characteristics, revealing aspects that were initially known only to one side. Through this process, the less-informed party gains insights from the reactions of the better-informed party, not only regarding economic value (as reflected in price) but also concerning cultural value. For instance, a buyer engaged in negotiation with a seller might learn about a piece's historical significance, authenticity, or artistic merit, thereby refining their perception of its cultural value. Whether and how this process operates within the bazaar economy remains an open question that warrants further investigation, as well as whether and how this possible value formation mechanism is reflected in the economic value formation.

Typical and General Risks

A final but no less important issue concerns the risks inherent in the bazaar economy. All the characteristics we discussed above generate risks for the buyer, the seller, or both, to varying degrees. Identifying and analyzing these risks is essential to understanding their actual relevance and impact. Notably, some of these risks are also present in formal and high-end markets. However, in the latter, they tend to occur less frequently due to stricter regulations and stronger enforcement mechanisms. That said, assessing their relative importance remains crucial, as a single fraudulent artwork in the high-end market represents the economic equivalent of numerous counterfeits circulating in bazaar economy markets.

The first major risk concerns authenticity. Determining the authenticity of goods is particularly challenging in the bazaar economy, where verification mechanisms are often weak or absent. Interestingly, the significance attributed to authenticity varies across market segments. Counterfeit goods are more prevalent in the bazaar economy, but they differ in nature. Hepworth (2015) distinguishes between "fake-fakes", inferior imitations with entirely fabricated brand identities, and "true-fakes", high-quality replicas made from the same materials as the original (see also Oosterman & Angelini, 2021). This issue (as well as the one that will follow below) is also strictly linked with the illicit market for cultural goods, which tend to circulate more easily in lower segments, as previously noted.

A second, related risk involves the provenance of cultural goods. Stolen items find their way into these markets with relative ease, as provenance verification is often nonexistent, and certificates of authenticity are typically absent. The perceived risk of purchasing stolen artworks or other cultural objects influences buyers' valuations, as highlighted by Posner and Landes (1996) and Landes and Levine (2006). However, it remains unclear whether this holds true for bazaar economy markets as well. Intuitively, the attention paid to the provenance is likely to be proportional to the monetary and cultural value one attaches to the exchange made or about to be made, in the absence of regulations fostering or requiring due diligence. A similar concern applies to traded goods that do not originate from thefts or forgery but are of illicit provenance (such as international illicitly traded goods).[8]

A third risk is due to the potential misalignment of the traded good and its assessed value, not necessarily due to its illicit origin. This would be the case of an overvaluation of goods made by the buyer, or an undervaluation of goods made by the seller. The likelihood of such discrepancies increases as information asymmetry grows. An agent's ability to accurately assess the nature and worth of a good plays a critical role in the value formation process within bazaar economy markets.

A final remark on risk in the bazaar economy concerns its connection with liquidity—defined here as the ease of exchanging a cultural good—and how this is shaped by both the perceived risks of trade and the presence (or absence) of enforcement mechanisms. A general principle is that *ceteris paribus* the higher the risk linked to a certain good, the lower its liquidity should be. A high-risk good typically requires a risk premium to be exchanged, effectively a discount compensating the buyer for potential losses.[9] For example, a buyer may be willing to buy a stolen artwork, knowing that this is risky; to do so, the buyer asks for a discount to cover the potential loss (e.g., being discovered after the purchase). This discount increases the ease with which the good can be sold. However, in the absence of a regulatory framework, as is often the case in bazaar economy

[8] See the discussion on this theme by Fisman and Wei (2009) on art smuggling. Some scholars also investigated the role of regulations, such as artworks' export veto and their impact on prices, which can lead to export through illicit ways, and which could lead artworks to be exchanged in less transparent markets (e.g., Onofri, 2009; Angelini et al., 2023a).

[9] Along these lines, see the analysis by d'Este (2020) on pawnshops and stolen goods.

markets, these risks are perceived as less severe and thus may have limited impact on a good's liquidity. At the same time, in certain contexts, these risks may extend beyond the transactional level, exposing buyers or sellers to legal consequences or, in rare cases, to reprisals, especially where informal markets intersect with criminal networks or operate in regulatory gray zones. A particularly interesting avenue for further research concerns the liquidity of the various segments of the market for cultural goods, considering varying degrees of risk and regulation. These regulations take the form of formal legal frameworks or informal systems of trust, shaped by the strength of relationships between market participants.

4 Conclusions and Challenges

The matters mentioned in this chapter are clearly interrelated and understanding their respective roles within this segment of the market, particularly in relation to the type of good being exchanged, can pave the way for new lines of research. Such research would not only reveal previously overlooked issues related to the ones discussed above but also suggest targeted interventions to address them. Given the distinctive characteristics of these informal markets, new analytical tools and approaches may be necessary to effectively tackle emerging issues.

In fact, the divergence in arrangements and practices between bazaar economy and high-end markets suggests that conventional solutions may fall short, requiring alternative strategies tailored to these unique conditions. The peculiarities of informal markets also underscore the need for diverse information sources and analytical methods to analyze them effectively. Traditional economic data tend to be sparse or entirely unavailable due to the organization and nature of these markets, making it necessary to rely on methods commonly used in anthropology and ethnography (Evers & Seale, 2015b), or to use experimental approaches (List, 2009) or interviews (Radermecker, 2022) to gather insights. Addressing these challenges calls for a more explicitly interdisciplinary approach, integrating economic theory with insights from anthropology, legal studies, and behavioral research to capture the full complexity of bazaar economy markets and guide future empirical and policy-oriented research.

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