

The Curious Economics Of Authenticity

Alice Sherwood, Senior Visiting Research Fellow, The Policy Institute at King's

Thursday, 12 January 2023



A Word From Today's Chairman

Professor Michael Mainelli

Chairman
Z/Yen Group





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Today's Agenda



- 11:00 – 11:05 Chairman's Introduction
- 11:05 – 11:25 Keynote Presentation – Alice Sherwood
- 11:25 – 11:45 Question & Answer

Have you told a lie within the last 24 hours?

- Yes
- No



Today's Speaker

Alice Sherwood

Senior Visiting Research
Fellow

The Policy Institute at King's



The Curious Economics of AUTHENTICITY

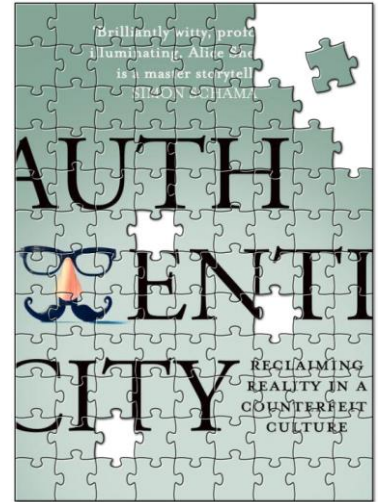
Alice Sherwood

Visiting Senior Research Fellow, Policy Institute at King's

Author: *Authenticity: Reclaiming Reality in a Counterfeit Culture*

Shared & Specific Concerns

- Falsification of information
- Russia's 'Special Military Operation in Ukraine'
 - In academia, worries about cut and paste essays & diploma mill qualifications
 - Meeting people online – are they who they say they are?
 - Are you speaking to a chatbot rather than a person? The latest iteration of GPT3
 - Are your adverts being clicked on by bots , rather than people?
 - Luxury goods counterfeits
 - ...



A Particular Concern for Business

The screenshot displays the homepage of the Securing Industry website. At the top, there is a navigation bar with the following links: Home, News Archive, Events, Supplier Directory, Papers & Media, Advertise, NEWSLETTER, and a search bar. Below the navigation bar, there are several industry categories: Pharmaceuticals, Food & Beverage, Electronics & Industrial, Cosmetics & Personal Care, Clothing & Accessories, and Security Documents & IT.

The main content area features a large article titled "Analysing cigarette filters could detect fakes, even if smoked" under the "Nicotine Products" category. The article includes an image of cigarette filters and a brief description: "Spectroscopy technique can also be used to assist other investigations where cigarettes are found at a crime scene." Below this article are four small thumbnail images with titles: "US agencies partner with pharma body on falsified drugs", "Fake tax stamps and liquor seized in Kenya", "Circularise raises €11m in round backed by Asahi Kasei", and "US lawmakers take on fakes with passage of INFORM Act".

On the right side of the page, there is a "Featured Papers" section with a list of articles, including "Traceability: Your catalyst for supply chain excellence" and "A strategic roadmap for building brand protection programs". Below this is a "Press Releases" section with three items, and a "Partners" section featuring logos for META and YPB.

At the bottom of the page, there is a footer with navigation links: Home, About us, Contact us, Advertise, Links, Partners, Privacy Policy, RSS feed, and back to top. The copyright notice reads: © SecuringIndustry.com 2023.

The Long View

Google Books Ngram Viewer

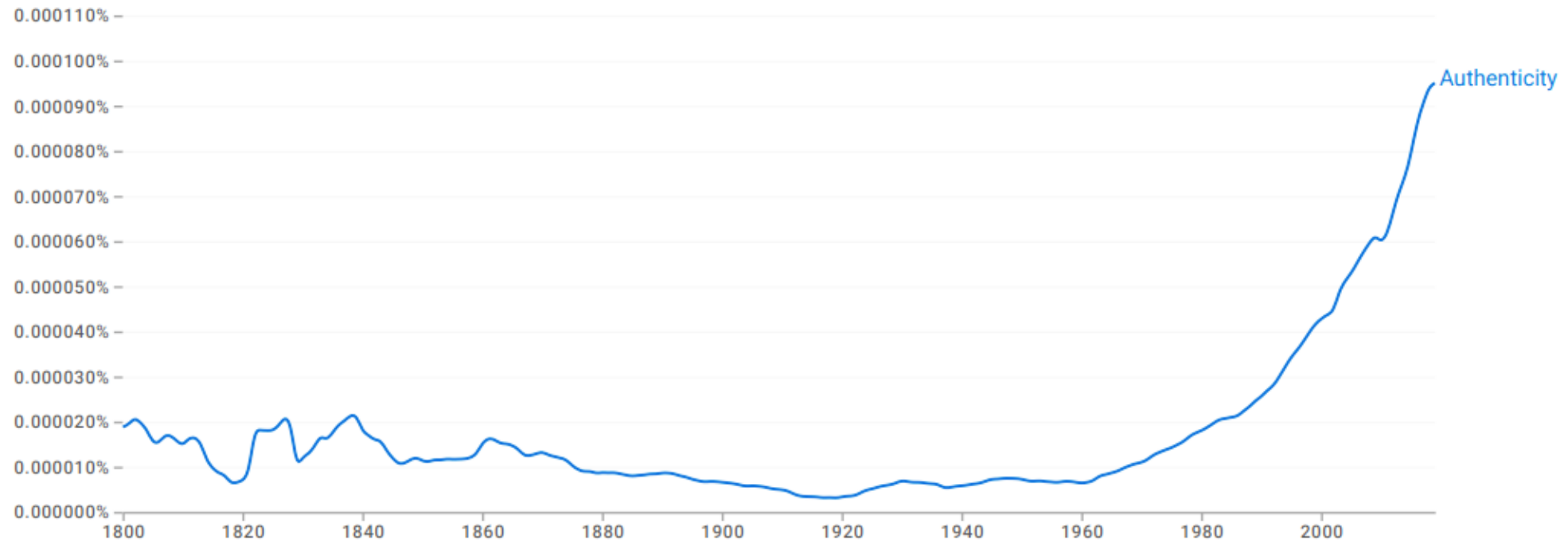
Q Authenticity

1800 - 2019

American English (2019)

Case-Insensitive

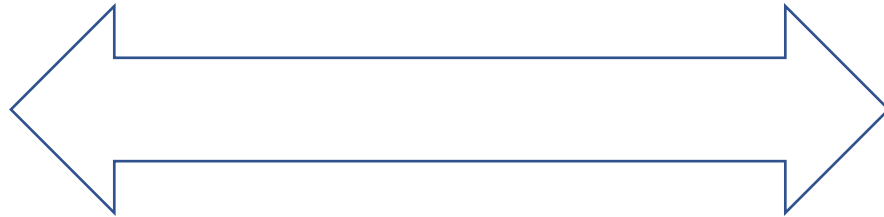
Smoothing



Two Almost Opposite Meanings

'Factual Authenticity'

- Oldest
- Facts
- Objective
- Public



'Personal Authenticity'

- Recent
- Feelings
- Subjective
- Private

Authenticity

Selected Stories

- **The Imposter I Knew**
- **The Anatomy of A Con**
- **Nature's Unconscious Deceivers**
- **Runaway Competition & Regulation**
- **On the Authenticity of Things**

'Curious Economics'

Asymmetry of Information
Fiancés - A Rival Good?

Con Artists - wholly rational-economic beings
Victims - cognitive biases including Confirmation, Positivity,
Cognitive Dissonance Reduction, and the Sunk Cost problem

Survival and Incentives
'Choice' by Natural Selection
The Invisible Hand... of Evolution
Free Riders, Scarce Resources

Ecology/Economy - two side of the same coin?
Arms Races and Opportunity Costs
Collective Action Problem
Regulation

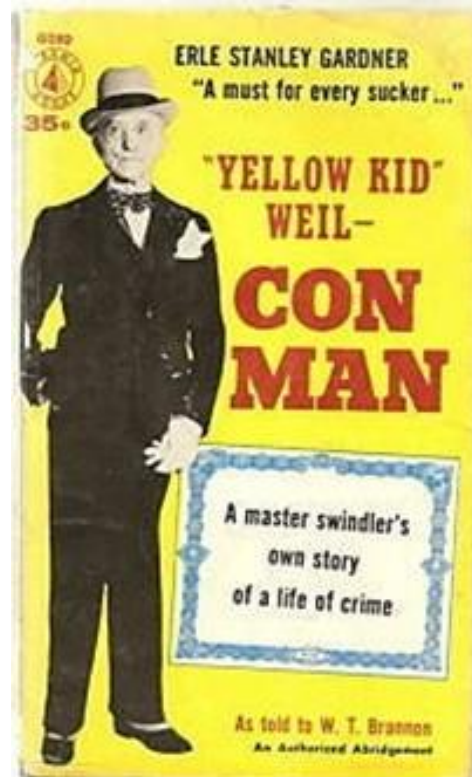
Authenticity and Value
Scarcity & Control
The Problem of Externalities

The Imposter I Knew



Asymmetry of Information
Fiancés - A Rival Good?

The Anatomy of A Con



Difference between Imposters and Cons

Con Artist - wholly rational-economic man or woman

Victims - Cognitive biases include:

Confirmation, Positivity, Cognitive Dissonance Reduction, and the Sunk Cost problem

Nature's Unconscious Deceivers - I



Nature's impostors. Plate 1 (*above*) is a Monarch butterfly; Plate 2 (*right*) its almost indistinguishable mimic, the Viceroy.



“If you want honesty, try physics instead.”

Survival and Incentives

‘Choice’ by Natural Selection and Adversarial Competition

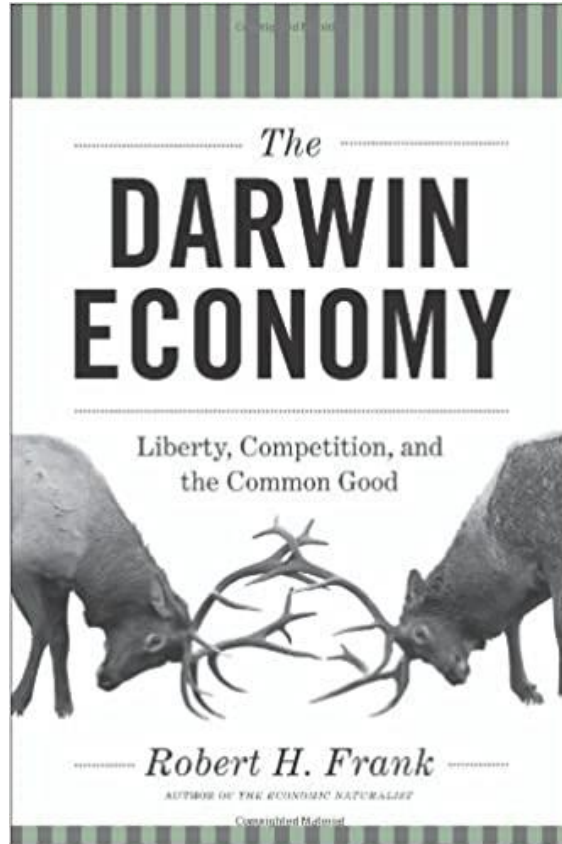
The Invisible Hand... of Evolution

Nature's Unconscious Deceivers - II



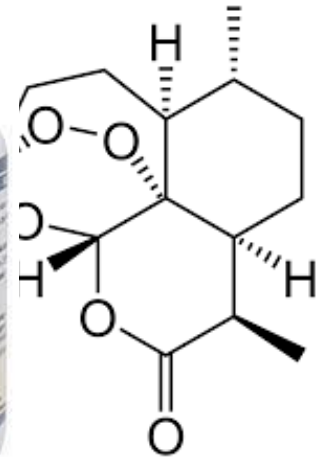
Free Riders
Food & Childcare are Scarce Resources
Counterfeiter vs Detective
The Egg Race that is an Arms Race
Competition to stay ahead of the Competition

Runaway Competition & Regulation



Ecology/Economy - two side of the same coin?
Mechanics and Effects of Competition for Scarce Resources
Arms Race Opportunity Cost: Collective Action Problem
Same benefit at lower cost - Regulation

On the Authenticity of Things



Authenticity is 'definitional' rather than 'intentional'

Authenticity is a 'Hurrah' word

Authenticity indicates value/importance

Scarcity & Control

Definitions of 'Authenticity' often by exclusion – Multiple

The Problem of Negative Externalities

Digital Technologies



Selected Stories

'Curious Economics'

Impact

- **The Imposter I Knew**
Asymmetry of Information
Fiancés - A Rival Good?
Asymmetry reduced
'Yahoo Boys'
Non-Rival
- **The Anatomy of A Con**
Con Artists - wholly rational-economic beings
Victims - cognitive biases including Confirmation, Positivity, Cognitive Dissonance Reduction, and the Sunk Cost problem
Online scams / OSINT
Conspiracy Theories / 'Shazam'
Twitter Field Research
- **Nature's Unconscious Deceivers**
Survival and Incentives
'Choice' by Natural Selection
The Invisible Hand... of Evolution
Free Riders, Scarce Resources
GAN
- **Runaway Competition & Regulation**
Ecology/Economy - two side of the same coin?
Arms Races and Opportunity Costs
Collective Action Problem
Regulation
Social Media – A Collective Action Problem?
- **On the Authenticity of Things**
Authenticity and Value
Scarcity & Control
The Problem of Externalities
Frictionless, unlimited copies
Problem establishing author and provenance
Crypto-art and NFTs

THANK YOU



'This wise, quirky, funny, wholly original book is  authentic delight. I loved it'

TIM HARFORD



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Comments, Questions & Answers





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Forthcoming Events

- Tue, 17 Jan (11:00-11:45) Alchemy: The Surprising Power Of Ideas That Don't Make Sense
- Wed, 18 Jan (11:00-11:45) Workers Voices – Fulfilling The S Ambitions In ESG
- Thu, 19 Jan (10:00-10:45) The Importance Of Relationship Banking In A Digital World
- Mon, 23 Jan (11:00-11:45) Friday Is The New Saturday: How A Four-Day Working Week Will Save The Economy

Visit <https://fsclub.zyen.com/events/forthcoming-events/>

Watch past webinars <https://www.youtube.com/zyengroup>