EXTENDED ABSTRACT

Title:
Does cultural identity determine economic wealth and growth? A territorial approach

Authors and e-mail of all:
Luis César Herrero Prieto – luiscesar.herrero@uva.es
Iván Boal San Miguel - ivan.boal@uva.es
Mafalda Gómez Vega – mafalda.gomez@uva.es
Beatriz Rodríguez Prado – bprado@eco.uva.es

Department:
Department of Applied Economics
University:
University of Valladolid

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Abstract: *(minimum1500 words)*
The main purpose of this research is to build cultural capital indicators with territorial specification in order to estimate their contribution to economic development and study related territorial disparities. We take the notion of cultural capital as a set of tangible and intangible elements that are the expression of a people's ingenuity, creativity and history (Throsby, 1999), and which endow territories with a kind of cultural identity and which may also be considered as an asset that determines wealth and economic growth. The economic valuation of cultural capital has so far consisted of partial solutions restricted to a particular ecosystem, by calculating the economic impact of a specific cultural expression, or by estimating the scope of the whole cultural sector in a country's GDP through national accounts that refer to specific activities of the cultural and creative sector. Some studies address cultural capital as a people's stock of education and cultural participation, as well as social diversity, which can also determine a territory's economic outcomes.
Our goal differs substantially, since we aim to characterize a region's cultural capital by considering elements that have no explicit value in current national accounts but that reflect the regional cultural identity and societal background, which might also have significant economic effects. We therefore define four main identity vectors: (1) territorial identity, which refers to the major natural and cultural facilities available in a region, (2) cultural identity, concerning an area's main cultural institutions and initiatives, (3) historical identity, which encapsulates a people's immaterial recognition, and which can be expressed in the form of commemorations, fairs, intangible heritage, etc. and, (4) a vector of collective cultural identity, wherein cultural capital is perceived as a relational factor, such as through social networks, training and talent.

Based on these premises, the methodological approach mainly involves two steps. First, we aim to compile as many variables as possible for each item in order to build partial indicators which give rise to a final composite index of cultural identity. This synthetic index serves as a factor of cultural capital to be merged in a territorial production function in a second step. We then estimate its contribution to economic wealth following an endogenous growth model. We use multivariate analysis and data envelopment analysis to obtain synthetic indicators with spatial specification, and different econometric approaches in the second step to obtain robust estimations.

The application is carried out in Spain, a country with a long history as well as clear-cut territorial disparities. We use NUTs level 2 and 3 of disaggregation; that is, regions and provinces.