



## Feasibility assessment

**Title of research:** Economies of Identity State of the Art

**Publication date:** May 2018

**Short summary of report:** The report identifies the differing identities found within territories located in an increasingly globalised world and recognises the important role these variations have in the development of territories as they offer a differentiating economic value.

**Feasibility assessment by panel of how this will feed into the project work:**

The Project theme is “facilitating pre-commercial development, business partnerships and short supply”, with a priority of “investigating and piloting new ways of encouraging entrepreneurship and test trading”. On the face of it, the concept of identity economics (IE) - shorthand for ‘economies of identity’ - offers a perfect complement, or even a core value.

**What are its characteristics and how can they be applied to this project?**

Although it has been practiced, especially in tourism, for decades, IE is a recent academic discipline and, to date, lacks an agreed theory and useable metrics for measuring success or failure. Both of these were under development by Swansea University, Academi Morgan Academy. In origin, it has been constructed as a positive response to globalisation and mass markets. It does not contest this reality which taken as a given on which to build a complementary economy. But instead of accepting a consequential ‘hollowing out’ of local markets, IE seeks to generate new productive territorial activities using known and yet ‘unknown’ local tangibles. These unknowns are referred to as intangibles. ‘Territory’ is non-prescriptive: nation, region, sector, size, past, future.

What matters is that given or self-defined territories have - or could themselves create! - distinctive ‘products’, which are commodified and monetised. As opposed to transnational global supply chains, these assets are embedded within the producer territory, to which IE practice will generate added local value. Additional goals include the retention of territorial talent and the generation of new

investment, however that is sourced - internal/external, traditional/innovative - provided it adheres to IE values and aims; diaspora - with territorial empathy - are an example of a trusted global investment source. Such 'closed' or 'localised' networks with agreed buy-in are necessary to build medium to long-term confidence in territorial regeneration. This approach differs from often-typical neo-liberal short-termism.

In terms of the broad range of resources which can be monetised, economies of identity use and re-create (re-invent, if you like) self-defined and agreed territorial social-capital, potentially building 'local' empowerment across any economic sector, depending on the territorial reality. Traditionally, these have included (old) usable resources, such as coast and country, industrial traditions, heritage, cultural products, etc. To these can be added 'modern products': territorial destinations using "tourism plus", which then provide portals to culture, gastronomy, design, apparel, etc., depending upon the territory's goals. Essentially, the theory and practice of IE is to provide quality products and protect the socio-economic viability of place. These 'goods' are embedded within the 'native' (internal) market: differentiated products (local, knowledgeable) and skilled management mostly with a social commitment.

So, IE is about core, retained values, utilizing authentic cultures and trusted localisms and building on that cultural-economic base. A first determinant for the application of IE is identifying and developing a territory's social-self interest (a local form of a 'national' interest). While local consumption is an integral part of IE, that production can create competitive advantages - through innovative creativity to be competitive within global markets too. To operate at this level, enterprises must have existing or newly-created niche markets. However, to achieve this wider success, prevailing economic models may have to be modified in the direction of sustainable economic regeneration. This points to the role of legislation and governance in promoting economies of identity. These factors open up opportunities' collaborative working between existing and new businesses.

### **How can these principles and values interact with fostering an entrepreneurial culture?**

1. As the successful application of the economics of identity essentially requires cultural change, there has to be an agreement by all the players that "Carmarthenshire" - specifically "rural Carmarthenshire" - itself is a 'product' that should and can be commodified. It is probably the case, but are all in agreement of its shared characteristics? To achieve an uncontested identity, its geography, population, natural assets (human and material), culture(s), unique enterprises,

communications, branding have to be discussed, defined and agreed by actors in the LEADER project.

2. If the participants 'buy' the concept, LEADER itself will need to identify existing enterprises or potential new businesses that could utilise IE - at least in part - to sustain their activity. As the required cultural change is of medium-term duration, it is suggested that colleges, even schools, are included within the cohort: future social entrepreneurs. This could lead to workshops with students engaged in enterprise development.

3. Further engagement with Academi Morgan Academy workshop (22/02/2018) has provide further insight into the possible focus of IE as a key tool in creating a model on intervention which can foster entrepreneurship. The research paper by Inês Gusman presented at the workshop was a valuable contribution to the wider understanding of the parameters of IE.

## **Key findings**

'Does Territory Still Matter?' summarises the current structural and territorial changes across the globe as caused by evolving data and communication trends and changes and thus determines that the world system is one of a 'placelessness' nature resulting in a process of 'deterritorialisation' and the erosion of traditional nation-state sovereignty.

The report asserts that as a result of globalised trends, development between territories has been uneven and has resulted in; growing international and sub-national competition on a regional and urban basis, a process of "reterritotialization", along with the emergence of increasingly differentiated forms of production and consumption and the development of a countermovement: localisation.

Territorial Identity which accounts for a sense of belonging and identification and identification along with the recognition of distinguishable features of nature, culture and inhabitants can be defined as:

*Those elements and categorizations which help people to explain what a region (or a place) is and how it can be distinguished from other regions (or places): ideas on landscape, culture/ethnicity, dialects, economic success/recession, periphery/centre relations, stereotypic images of people/community, actual/invented histories, utopias, etc.*

The report suggests that the three main elements of Territorial Identity; territory, economy and cultural identity produce both a monopoly powers of a place and competitive advantages which transpire into economic value.

Economic value of Territorial Identities can be categorised into four primary components:

- **Cultural Economy & Cultural Capital:** The attempt to revalorise territories through its cultural identity in the face of increased globalisation. Culture as a form of capital exists in two forms: tangible and intangible
- **Experience Economy:** Consumers seek unique experiences beyond merely consuming goods and services because the consistent high level of good and service quality can no longer be used to differentiate choices for consumers
- **Competitive Identity:** Synthesis of brand management with public diplomacy, investment, tourism and promotion of exports. The image and reputation of a territory is an economic asset
- **Place Branding/Marketing:** A process of territory communication based on identifying and promoting distinctive qualities of the place in order to attract new inhabitants, visitors, and investment

The report expresses challenges in terms of capturing and gaging identities of places as Territorial Identities are social constructs that are constantly in changing which are now shaped not only by internal characteristics, but influenced by the interconnection of the world. Moreover, territories are comprised of multiple identities.

In order to overcome these challenges, common elements through space and time need to be identified by capturing territories distinctiveness whilst also attempting to strike a balance between stable identities with historical roots and those that are more fluid and future orientated.

The report identified useful approaches and methodological tools to capture the identity of places; Paasi's model focuses on a multifaceted 'shape' approach driven by content analyses and; Terlouw's analytical division looks at the concurrent identities within a territory through interviews which uncovers how stakeholders see and evaluate their own territory.

Economies of Identity can therefore be created through revealing characteristics held by territories which are subsequently designed in order to result in an economy generated by a territories uniqueness, recognition and differentiation.

Economies built based on elements that are rooted in space can play a key role in the economic and social future of territories. The concept of “Economies of Identity” still remains ill-defined however; it is possible to identify concepts from different research fields that explore the relationship between Territorial Identities and economic value.

## **Conclusions**

- This work following a research and review approach, as the adopted methodology for the project, has provided the clear feasibility evidence to progress with engaging further with entrepreneurs.
- A workshop platform should be utilised to identify the value of the IE to sustain their activity.
- These findings should also be introduced to ongoing work on rural policy by both Local and National Government in line with the recommendation and proposal route of the project.

## **Appendices**

See appendix A & B for a copy of the research.

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