

Economy of identity

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This article intends to highlight the importance of economy of identity in providing added value to the economy of a nation, based on identity in R&D&I and stimulating discussion on the issue whether there is an R&D&I economy of identity.



Grasping the importance of identity in current societies is difficult. From ancient Greek to modern thinkers like Samuel Huntington, Henry Mondrasse and Jürgen Habermas, many definitions of identity have been given either from a sociological, economic or cultural perspective.

According to Montserrat Guibernau, full professor of Political Science at Queen Mary College of the University of London, identity is culture, language, symbols, values, traditions, lifestyle but especially the wish of forming a community with a set of specific properties.

Identity is a multifaceted concept that includes items from clearly recognisable tangibles like historical facts (historical identity) and the appeal provided by different artistic movements (artistic identity) to totally immaterial and intangible ones such as qualified denominations of origin (quality identity) and certificates of origin (origin identity).

Joan Costa i Font believes that identity originates a range of consequences in lifestyle (e.g. eating habits, consumption times) and even states that «there is much evidence relating lifestyles not so much to individual decisions but to collective action patterns emerging from a given national identity». This makes identity as such be very diverse or, more to the point, we are able to identify «various identities».

Economies of identity and country brand

Within identities, national identity is often restricted to cultural forms of expression and related with the historical past, thus being reduced to this field. However, it is not just a cultural phenomenon but this collective identity is shown and plays a key role in social and economic areas such as the definition of commercial expansion strategies, entrepreneurial capacity and readiness for commercial exchange abroad.

If we agree that national identity is a relevant matter regarding social and economic articulation

and has considerable effects on the way communities work and individual welfare, then it can be viewed, as we said, as the basis out of which different immaterial identities can be created such as economies of identity having distinctive tangible and intangible properties in every nation providing some particular added value.

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To a certain extent, economies of identity are the cause of and decisive for behaviours, demands of consumption goods and national output lying underneath. This means that national identity determines partly the behavioural patterns of individuals; as a consequence, identity has an impact on their actions and products. Either consciously or unconsciously, individuals adapt products and actions they provide to their identities.

We are at a point at which the economy develops back and forth very rapidly and globalisation plays a key role in unifying standards. However, this globalisation creates an opposite effect: the search by consumers of what is distinctive, unique, making a product or service typical of that area, that country, thus having its own economic identity.

Based on this approach, today we talk of economies of identity and how regions, nations and states have been able to turn their own identity as a result of different factors and circumstances into an added value of certain economic domains (e.g. cultural and audiovisual industries, gastronomy, fashion, handcraft) and how these economies of identity have become a key tool to differentiate them from competitors in other industries.

One item resulting from economies of identity and how to tackle their management has been named nation branding, referring to reputation

management of regions, nations and states. The idea underlying nation branding is that consumers have a preconceived idea of a country, which eventually is decisive for international success of products from that country. All countries have products identifying them (e.g. cloth from northern Italy, quality wines from southern France, precision products from Switzerland, cars with high safety standards from Sweden), so good or bad reputation of one can eventually affect that of the other.

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Economy of identity in R&D&I

The complexity of the *economy of identity and nation branding concepts* has encouraged the creation of an amalgam of concepts associated to territorial settings. They include those having developed ecosystems for research (knowledge), development (of that knowledge) and innovation (R&D&I).

There are examples of countries having reference territories in R&D&I ecosystems with different economies of identity such as Silicon Valley, Napa Valley and the Boston area in the United States; the Bangalore and Mumbai areas in India; Zhongguancun, Hong Kong and Shanghai in China; the Silicon Glen initiative in Scotland; the Cambridge Biotech Cluster and London City in banking in England; and many more.

There are also reference countries in R&D&I nation branding in which the economy of identity is unique. This is the case of Germany with the Fraunhofer-Gesellschaft, Malaysia with Cyberjaya, the Netherlands with TNO and the VTT Technical Research Centre in Finland, to name some.

Based on their differential realities and capacities, these ecosystems create wealth and welfare and

have been internationally recognised for their ability of tackling complex challenges incorporating talent, science and technology with participation of private and public stakeholders, creating nation branding.

Factors like educational level, investment in R&D&I, the number of new technology-based companies, patents, business fabric and diversity of industries can have a direct effect on R&D&I identity building of these privileged knowledge and innovation environments. Economy of identity in R&D&I is a clear example of nation branding, i.e. reputation management of nations, as the image R&D&I consumers have of a country determines the success of its innovative products.

Creation of economies of identity

As mentioned, identity is not an inborn essence but a social construction process. Like any other, it has some constitutive items it is built upon. According to Jorge Larraín, these factors are three:

- First, individuals define or identify themselves with certain properties around some given shared social categories. As they create their personal identities, individuals share common denominators of the group like religion, gender, social layer, ethnic group, job or sexuality, which are culturally determined and contribute to creating a feeling of identity.
- Then we find interaction of identity with the material element mentioned by Joan Costa i Font: «Identity is a source of preferences and value and hence determines demand, making it an item within reach of stakeholders to differentiate products.» The idea is that in producing, owning, acquiring or shaping material items, humans project their own qualities (identity) in there, which results in what we could call identity products.
- Finally, construction of oneself necessarily means the existence of the others in two ways.

The others are those whose opinion of us we internalise. But they are those from which we differentiate, acquiring a distinctive, specific character. That is, the way we perceive others view us has an impact on identity as a feedback related with the wish of being part of a community with a range of specific properties.

Likewise, economies of identity are socially produced and objectified realities becoming items of identity by means of socialisation processes. Economies of identity are not an inborn essence but a social construction process under the influence of a myriad of factors that help forge them to a bigger or lesser extent.

Economy of identity is a way of defining a collective reality based on having or not some distinctive properties and relevant attributes. The identity acquisition/creation process thus occurs based on joining some specific attributes and adopting some specific behavioural patterns associated with a socially structured identity.

For all that is suggested in this article, building economies of identity plays a key role in the economic and political future of regions, nations and states as it has a high instrumental value, improves the virtues of citizenship, helps together with private and public players in creating a country brand, provides information on product quality, fosters cooperation and allows to reach certain collective action with an impact.

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Among attributes and behavioural patterns associated with a socially structured identity there are different more or less relevant players. Among the

most relevant ones we find regional and national governments.

Economies of identity in R&D&I in Catalonia

In recent years, goals of public policies in different regions, nations and states included strengthening national identity. Educational, cultural, R&D&I and public media policies have all made an effort to meet this goal.

National identity is a social cohesion factor. Social cohesion is an attribute of a group by which individuals feel a certain degree of collective identity and belonging, so interaction between individuals is intensive, continued and successful.

As has been mentioned, collective identities are socially produced and objectified realities becoming personal items of identity by means of socialisation processes. Social cohesion, as understood in this context, means that the horizon of wishes and aspirations guiding collective projects is sketched in a plan with a limited framework, thus facilitating feasibility and materialisation of the goals on which it is based.

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Economy of identity in R&D&I is an example of nation branding, that is, of reputation management of nations as the image R&D&I consumers have of a country determines the success of its innovative products.

If we add to this that identity in R&D&I determines competitiveness, heterogeneous states (those including several nations) are eventually inefficient in terms of providing support to goods and services with added value and thus different signs of identity due to different national identities, as the same economic policy cannot be done with different types of economies of identity within

one same territory. Due to all this, when talking of economies of identity it is necessary to distinguish between plurinational and uninalational states to make them compatible in a comparison and understand their role in the global world.

One very clear example is Spain with reference territories in nation branding in R&D&I in which the economy of identity is different as there are several nations. So there are clearly differentiated models of identity management in R&D&I, e.g. **Tecnalia** in the Basque Country and the **TECNIO** network in Catalonia.

Identity in R&D&I has an instrumental function that explains the persistence of the Fraunhofer-Gesellschaft with its sixty-year history or the creation ex novo of the TECNIO network including the LEITAT Technology Centre with its more than hundred years of activity.

The TECNIO network was created out of a strong economy of Catalan identity in R&D&I. It includes items like fostering cooperation, quality and perseverance in creating R&D&I and catalyses a supranational identity. The LEITAT Technology Centre within the TECNIO network can be seen as a model of economy of differentiated identity based on its origin in a mature industry like textile, constantly subject to economic ups and downs, which instilled its employees with distinctive properties of clear market orientation, will to adapt to the customer and development in the light of constant change and economic and global challenges. These distinctive properties created a type of microeconomy of identity in R&D&I that shaped LEITAT as the technology centre of production technologies, present in different industries like biotechnology, shipping, nanomaterials and chemistry, among others.

Managing the economy of identity

With its solid economy and a century-long industrial tradition, Catalonia has experienced times of change like many Western economies.

Industries like textile have been reoriented, new areas like biotechnology established and new pioneering actions like business in the Barcelona 22@ area, L'Hospitalet or Parc de l'Alba defined. However, compared with Europe, innovation in Catalonia is clearly below average despite all efforts done. This leads to some thoughts on collective identity.

These thoughts on economy of collective identity take us to improve and make research and innovation policies a strategic item placing this subject above political issues to have the ecosystem create wealth and welfare based on its differential realities and capacities to be internationally recognised by means of good nation branding management.

To allow Catalonia's full participation in the knowledge economy at global level, it is necessary to set up a powerful, high-level research and innovation system as a tool serving modernisation and transformation of the production system.

The 2010-2013 **Research and Innovation Plan of Catalonia** contains a reference framework, a strategic vision, strategic policies, actions and goals, economic programme, implementation, follow-up, review and assessment of actions. It is a tool by which the Government of Catalonia does the planning, promotion and coordination of research and innovation in the country.

Moreover, the Plan shall be viewed as a set of measures and actions to define where the Catalan economy of identity in R&D&I wishes to be.

The economy of collective identity in R&D&I of the Catalan research and innovation system needs to continue growing. However, this growth needs to be managed according to a model and implemented by means of a flexible, dynamic governance system that keeps an eye on the roadmap to reach one goal: having the critical mass and overall competitiveness to reach internationally competitive nation branding.

As has been pointed out in the article, economies of identity are based on three pillars:

- Individuals define themselves.
- Individuals project their identity on actions.
- These actions are seen by others and we get information from their impression to redefine ourselves.

Collective identities are socially produced and objectified realities becoming items of personal identity by means of socialisation processes.

Having the critical mass and overall competitiveness allows to reach internationally competitive nation branding.

Hence success will depend to a large extent on our right decisions and our firm commitment in defining goals for the collective identity in R&D&I of the Catalan system, the ability of creating products (networks, platforms, action groups) according to this identity and the capacity to accept the reaction (criticism, analysis, thought) and to reshape and redirect us and being self-critical.

The 2010-2013 Research and Innovation Plan of Catalonia makes 2010 a key moment to tackle the

complex challenges we have ahead. The economy of Catalan identity forged with clear and agreed strategies in this special period needs to be implemented in our economic reality, reaching internationally competitive nation branding. It can also be said that if for any reason this opportunity is missed, we will put in jeopardy not only the future of some products created by the economy of Catalan identity in R&D&I but also the whole of the Catalan industry for the next decades.

One final thought

It is obvious that all that has been said so far can interrelate with anthropology, sociology and social psychology, just to name some examples from social and human sciences dealing in-depth with the identity concept.

The goal of this article is to help set the focus on the true added value an approach to the analysis and implementation of economies of identity can have in defining identities in order to allow strategies to validate or reject specific hypotheses.

The final goal of this article is to single out some potentialities of this approach, so we have tried to explain some possible use inferred as well as to foster deeper thought by experts

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