

**Culture based rural development in Romania: To what extent does cultural heritage contribute to socio-economic wellbeing in Romanian rural regions?**

**Student name:** Denisa Damaris Boca

**Student number:** 574098

**Supervisor:** Dr. Anna Mignosa

MA Cultural Economics and Entrepreneurship

*Erasmus School of History, Culture and Communication*

*Erasmus University Rotterdam*

Master Thesis

Word count – 18,050

20 June 2021

Culture based rural development in Romania: To what extent does cultural heritage contribute to socio-economic wellbeing in Romanian rural regions?

### ABSTRACT

Culture is gaining increasing attention for its potential to influence regional development discourse at academic and institutional levels. In particular, the significance of cultural heritage - tangible and intangible - in the socio-economic impact mechanism provides scope for considering heritage resources as a tool for revitalizing rural communities. Rural environments are often regarded as particularly favourable settings for preserving both tangible and intangible heritage assets. Hence a heritage-led strategy approach can potentially allow for a sustainable and organic alternative to local development, so as to compensate for the structural changes in rural socio-economic landscapes emerging from the general global transition to a technology-driven economy. In fact, stemming from a Weberian (1904) perspective, several academic findings already point towards the potential for cultural heritage to facilitate rural economic development through cultural tourism and traditional arts and crafts commerce. Similarly, cultural heritage is being discussed with regards to community social wellbeing in its capacity to shape the local human capital, influence migration trends and enforce local identities. Following this academic trajectory, this research looks into the potential for cultural heritage to shape socio-economic rural trajectories in Romania. More specifically, the study assesses the relations between cultural heritage and migration trends, the concentration of skilled human capital and the overall economic performance of 27 predominantly rural regions in Romanian for the year 2015. The empirical analysis was conducted through a three stage least squares regression model and confirms the potential for cultural heritage to influence socio-economic development within the Romanian context. First, the presence of arts and crafts workers was found to contribute to a decrease in out-flow migration rates. Second, the local presence of tangible and intangible heritage was confirmed to encourage larger concentrations of skilled employment. Third, heritage-related cultural participation was found to be positively related to the local GDP. Nonetheless, the empirical analysis led to relatively low correlation coefficients between the cultural and the socio-economic dimensions, pointing at the existence of various barriers to heritage-led rural development in Romania. The study hopes to address gaps in empirical research on the socio-economic implications of cultural heritage applied to the Romanian context and to provide useful insights for future examinations in this direction.

**Keywords:** culture-based development, socio-economic wellbeing, Romanian rural regions, cultural heritage, traditional arts and crafts

## **Acknowledgements**

I want to express my gratitude to my supervisor Anna Mignosa for guiding me with patience and for sharing her knowledge throughout the research process.

Lastly, I am sincerely thankful to my parents and sister for their unconditional support and encouragements.

## Table of Contents

<b>Introduction</b> .....	<b>5</b>
<b>Theoretical Framework</b> .....	<b>8</b>
<b>Multidisciplinary inquiry into the role of arts and culture</b> .....	<b>8</b>
<i>The philosophical approach</i> .....	8
<i>The sociological critique</i> .....	9
<i>Cultural economics: towards an integrated approach</i> .....	10
<b>Arts and culture for regional development</b> .....	<b>11</b>
<i>The socio-economic impacts of arts and culture</i> .....	12
<i>Culture Based Development</i> .....	13
<i>The role of cultural heritage</i> .....	16
<i>Heritage-led rural development</i> .....	18
<b>The potential for heritage-led development in rural Romania</b> .....	<b>22</b>
<i>The Romanian rural context</i> .....	22
<i>Cultural heritage resources</i> .....	24
<b>Methodology</b> .....	<b>26</b>
<b>Hypotheses</b> .....	<b>28</b>
<b>Data</b> .....	<b>29</b>
<b>Empirical model</b> .....	<b>32</b>
<b>Results</b> .....	<b>35</b>
<b>Descriptive statistics</b> .....	<b>35</b>
<b>Pearson correlation test</b> .....	<b>35</b>
<b>Three stage least squares estimation</b> .....	<b>36</b>
<b>Discussion of results</b> .....	<b>38</b>
<b>Conclusion</b> .....	<b>42</b>
<b>Limitations and future research</b> .....	<b>44</b>
<b>References</b> .....	<b>46</b>
<b>Appendix A: Cultural heritage impact dimensions</b> .....	<b>56</b>
<b>Appendix B: Pearson Correlation Test</b> .....	<b>57</b>

## **Introduction**

The potential for culture to contribute to socio-economic regional development is increasingly being acknowledged within existing literature, both at academic and institutional levels. In its multiple forms, culture has a wide variety of effects on society, stemming from its cultural, artistic, inspirational, symbolic, social and economic values (Throsby, 2001). From a fundamental perspective, culture is regarded as an instrumental factor in the formation of human capital, capable of shaping individual and collective identities, values, beliefs and attitudes (Bourdieu, 1984, 1986). Stemming from this, culture is nowadays discussed with regards to its educational and civilizing effects, its potential to influence socio-political discourse, facilitate social interactions, creativity and innovation, its effects on happiness and mental wellbeing as well as its contributions to local economies (Herrero et al., 2006; Hadida, 2015; Belfiore, 2015, 2020; Anttonen et al., 2016; Azmat et al., 2018; Gomes & Librero-Cano, 2018; Windle et al., 2018; Vermeulen et al., 2019; Ateca-Amestoy & Casalini, 2021). In this sense, development policies more frequently focus on cultural discourse as an instrument for sustainable development, transnational cooperation and a tool for promoting and enhancing shared values at the international level (UNESCO, 2015; Hosagrahar, 2017; Vos, 2017; UN, 2021).

More recently, in light of the Weberian (1904) approach considering traditional values at the epicenter of socio-economic local trajectories, empirical evidence maintains that cultural heritage is particularly significant in the socio-economic development mechanism. First, it is a major element in the formation of contemporary cultural practices (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015). Second, cultural heritage plays a significant role in the formation of local identities and the community empowerment processes (Lin, 2001; Winter, 2015). Third, heritage assets present economic values as commercial goods, facilitators for cultural tourism and as sources of creativity leading to innovation and economic growth (Walker et al., 2003; Ashworth, 2013; Cerisola, 2019).

The socio-economic implications of cultural heritage are particularly relevant for the rural context as they allow for alternative approaches to sustainable development. Concerning rural settings, there is high potential for using cultural heritage as a tool for addressing common rural socio-economic challenges, by employing strategies for organic development through local resources (Ray, 1998). Empirical evidence so far has been effective in proving the positive economic implications of cultural heritage, mainly in terms of cultural tourism (Jimura, 2011; Anderson, 2015). Nonetheless, evidence is also available for the potential to sustain local livelihoods through the commercialization of traditional arts and crafts in rural areas (Rausch, 2010; Chen et al., 2021) and the symbolic values of heritage resources in terms of enhancing local identities and empowering rural communities (Gorlach et al., 2014; Kaltenborn et al., 2013; Gallou & Fouseki, 2019).

In fact, these findings are particularly valuable, given that the need for development strategies outside the traditional rural practices is particularly evident nowadays, considering the various challenges affecting the socio-economic wellbeing of rural communities. In general, rural regions have been struggling to keep up with the transition to a knowledge-based and technology-driven economy (Powell & Snellman, 2004). As such, with the decline in traditional economic activities such as agriculture and mining, rural communities are faced with a generally underdeveloped economic sector resulting in an overall lower quality of life as compared to urban regions. This leads to further consequences on the demographic structure of rural communities, as youth migration to more economically developed areas is common, resulting in the rapid ageing of the rural population (Anderson, 2003; Gardner, 2005; Farrington & Farrington, 2005; Agarwal et al., 2009; Ortega & Peri, 2009).

The outlined socio-economic challenges are prevalent in a particularly striking way within Romanian rural environments. Romanian villages are characterized by scarce financial resources and low capital availability, low levels of economic activity, high youth migration rates, lack of qualified human capital, as well as an overall skepticism towards innovation and a general distrust among community members (Rusu & Florian, 2003; Bruja & Bruja, 2014; Ignat et al., 2014; Mikulcak et al., 2015; Mîndrucan & Acelenau, 2020). Adding to these, villages are affected by the poor infrastructure isolating many rural communities from urban or more developed areas (Popescu, 2013). These are pressing issues for the Romanian society, considering that over 45% of Romania's population still lives in rural areas (Naghiu et al., 2005; Ciucea et al., 2018), and a large share of it is faced with precarious life conditions. In this sense, rural development should be a major priority for Romania, since the socio-economic conditions of rural areas are of utmost importance in ensuring the overall development of the country.

The potential for addressing such issues through cultural resources is being discussed with regards to the Romanian rural context (Turnock, 2002; Ministerul Culturii, 2007; Iorio & Corsale, 2010; Matei, 2015; Burlacu, 2019), however, little empirical evidence to account for the various impact dimensions of cultural heritage is available. In this sense, more empirical explorations of the socio-economic implication of cultural heritage are necessary to establish a more accurate view of how the cultural, social and economic dimension interact within the Romanian rural society. This research is aimed at addressing this gap, by attempting to answer the following research question:

*To what extent does cultural heritage contribute to socio-economic wellbeing in Romanian rural regions?*

The study used a quantitative cross sectional design in order to explore the effects of cultural heritage on migration, the formation of skilled human capital and the overall economic performance in 27 predominantly rural Romanian regions in the year 2015. The classification of regions as rural or urban was done as per Eurostat's NUTS3 territorial typology (Albertone et al., 2019). The three socio-economic dimensions on which the study is focused were selected considering the fundamental development challenges identified in Romania's rural regions. The methodology and empirical model followed the culture based development - CBD - approach (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015), primarily as it allowed for a suitable and consistent framework to study the effects of cultural heritage on the selected socio-economic dimensions. Furthermore, the three stage least squares regression method used for the empirical analysis of the relations between the socio-economic dimensions and the cultural heritage variables was chosen to outline the endogeneity of the social and economic variables, so as to illustrate both the direct and indirect effects of cultural heritage. Data for the cultural, social and economic variables was obtained from Eurostat, Romania's National Institute of Statistics, the Romanian Ministry of Culture and UNESCO's Tangible and Intangible World Heritage lists.

The first chapter of this research paper provides an overview of academic and institutional literature on the societal relevance of culture. Here, the first section is a summary of different theoretical perspectives on the meaning and role of arts and culture, exploring philosophical, sociological and economic approaches, then introducing an integrated approach for a joint consideration of competing cultural, social and economic values. Further, the second section presents a more detailed discussion on the potential to exploit the multiple values of arts and culture for wider socio-economic benefits in order to facilitate regional growth. The culture based development theoretical framework and empirical model is then introduced as a particularly innovative and useful approach to studying both direct and indirect socio-economic effects of culture on regional development. This discussion also informs the methodological approach for this research. The following section outlines the more recent research trajectories assessing the individual effects of cultural heritage on socio-economic development dimensions. Stemming from this, the potential for heritage-led rural development is discussed, on the basis that rural environments could use their rich cultural heritage resources for organic and sustainable development. The last section of the first chapter provides an overview of the cultural, social and economic context of rural Romania, which represents the main subject of this research. The insights resulting from the analysis formed the basis for the methodological approach, the selection of variables as well as the interpretation of the research findings. The second chapter introduces the hypotheses of this study, describes the methodological approach, as well as the empirical model and the data used in the analysis. The third chapter includes an

outline of the results followed by a discussion of findings in relation to academic theories, related empirical evidence and the peculiarities of the Romanian rural context. Lastly, the fourth and final chapter discusses the wider implications of the findings of this research for the Romanian rural communities and addresses the need for specific action to valorise cultural heritage resources at local levels. Furthermore, this chapter outlines several limitations of this study and proposes a number of potential approaches for future research.

## **Theoretical Framework**

### **Multidisciplinary inquiry into the role of arts and culture**

The meaning and role of arts and culture have been explored across a multidisciplinary realm of the social sciences. As a result, various explanatory theories of the cultural and artistic phenomena have emerged from a philosophical, sociological and economic standpoint, shaping the multiple dimensions through which culture is understood at present. This section provides a summary of the different theoretical perspectives on arts and culture and introduces a novel approach to account for the multidimensionality of cultural functionality, by integrating philosophical, sociological and economic implications.

#### *The philosophical approach*

Philosophical inquiries into the meaning and purpose of arts and culture date back to Plato (428-348 BC, as cited in Van den Braembussche, 2009) and his imitation theory. The imitation theory emerged from the Greek concept of “mimesis” which means imitation or representation of nature, implying that the primary task for art is to accurately reflect the outside world (Van den Braembussche, 2009). Apart from the purpose of reflecting and representing reality, the imitation theory positions culture at the core of human moral elevation and argues that cultural expressions should have a moralistic and ethically enriching character (Van den Braembussche, 2009). Subsequent philosophical inquiries regard arts and culture primarily as a matter of emotion, with the sole function of connecting individuals with their senses, feelings and inspiration (Tolstoy, 1995). In this view, artists are in charge of triggering emotional responses towards their creation by sharing with their audiences the feeling conveyed in their artwork (Tolstoy, 1995). Alternative theoretical frameworks move beyond the imitation and affective functions of arts and culture by maintaining that art is an individually standing mental construct which exists within individuals' consciousness, and does not require materialization (Collingwood, 1976; Croce, 1992). This idea can be linked to Kant's (1952) aesthetic judgment, implying that art can only be understood and evaluated in its pure form. More specifically, art should be perceived based upon the feelings that emerge from its mental conceptualization

(Kant, 1952). These feelings, in turn, should not be influenced by personal interests, concepts or theories behind the content or functionality of cultural expression, and they should emerge from an objective, disinterested stance (Kant, 1952). From this perspective, arts and culture can be seen as autonomous and abstract manifestations that should be separated from content, materialization, creator, consumer or any social contexts (Hanslick 1974; Bell, 1987; Fry; 1957). Instead, art should be solely dependent on its form, and its purpose is to exist on its own (art for art's sake).

### *The sociological critique*

Philosophical theories have found criticism in the sociological approach to the meaning and purpose of arts and culture. In general terms, the sociological critique condemns the philosophical inquiry for only focusing on what is presupposed in an individuals' senses or aesthetic perceptions, thus neglecting the empirical context in which culture exists, evolves and is perceived (Van den Braembussche, 2009). That is to say, philosophical discourse overlooks the social dimension of culture by labelling it as a self-contained discourse and practice (Wolff, 1993). Sociologists, on the other hand, argue that the perception and purpose of arts and culture is highly dependent on social contexts as they explore how it is influenced by individuals' education, upbringing and social class, and how it changes together with social trends (Hauser, 1968, 1999; Williams, 1981; Bourdieu, 1977, 1984, 1986).

Bourdieu's (1977, 1984, 1986) concepts of habitus and cultural capital are a major contribution to the critique of the philosophical framework, by effectively incorporating and building upon the complex interdependencies between culture and society. With habitus, defined as a "system of dispositions", Bourdieu (1977) illustrates that human behaviour is determined by and "situated within multiple social structures" (Atkinson, 2019, p. 58) according to one's culture, past experiences or knowledge, and that human actions are constructed upon perceptions and assumptions resulting from these. Similarly, cultural capital refers to a specific element of habitus as it represents the accumulation of values, perceptions, behaviours, social attributes and education as a result of exposure to culture (Bourdieu, 1984, 1986). The two concepts arguably bring strong criticism particularly to the Platonian imitation theory and the Kantian aesthetic disposition. For instance, by highlighting that reality does not hold a universal meaning and that its depiction always depends on individual perceptions (Gombrich, 1975), the imitation theory was criticized for not fully capturing the relation between culture and the empirical world. As such, the imitation theory only accounts for the way culture is shaped by the material world, while neglecting that culture is, in turn, highly responsible for the social context shaping reality, as conceptualized in Bourdieu's (1977, 1984, 1986) notions of habitus and cultural capital. Similarly, criticism brought to the aesthetic judgment theory identifies the Kantian aesthetic

disposition as an “illegitimate abstraction” (Gadamer, 1975), on the same basis that both culture and its consumers are situated within historical and social contexts, hence the interaction between culture and society is inevitable. Furthermore, as identified by Bourdieu (1984), culture does not serve the same purpose for everyone and interpretations of it are highly dependent on social class differences. In this sense, the aesthetic disposition and the formal experimentation of culture seem to be applicable to the higher social classes and the cultural elites, whereas, for the working class, cultural utility is derived from content, references to reality and emotional assets (Bourdieu, 1984). Hence, employing the aesthetic judgment theoretical framework to account for the role of culture may seem as a rather elitist and ideological approach, as it encourages the distinction between higher and lower class culture, and offers the former greater importance (Fuller, 1980; Lovell, 1980; Williams, 1981; Eagleton, 1981). Nonetheless, sociologists maintain that it is important to account for the interaction between culture and the whole society, regardless of social and educational status. In this sense, sociologists stand for either populist aesthetics, where value is reflected in preferences of the masses (Taylor, 1978), or the aesthetic relativism characterised by no attempts whatsoever in establishing a hierarchy of value for different types of artistic and cultural expression (Wolff, 1993). Later sociological inquiries expand on the social context by looking into the social impact of arts and culture and how they shape societies instead of only focusing on how society influences creative outputs and taste. Hence, a new dimension of aesthetics emerges, known as relational aesthetics, where the focus is on human interaction at the core of artistic and cultural expression (Bourriaud, 2002).

#### *Cultural economics: towards an integrated approach*

The purely economic inquiry into the role of arts and culture lies with consumer satisfaction. Here, value is derived from consumer preferences and cultural goods are supplied by artists and entrepreneurs seeking profit, provided there is a demand in place (Dekker, 2015). Nonetheless, attempting to justify the need for public subsidy and provision of cultural goods, cultural economists looked beyond the market mechanisms and started to consider the wider implications of cultural production and consumption. Hence, it was found that arts and culture present public good characteristics in the sense that they generate a number of positive externalities resulting in consumer surplus and spillover effects over the wider society that are not captured in the market price (Baumol, 2011). More specifically, cultural goods are said to behold option, bequest, existence, prestige and innovation values (Frey, 2003; Towse, 2019), meaning that they are highly significant for reinforcing and maintaining individual and collective identities within social groups and for facilitating innovation through positive effects on creative thinking. From a welfare economics perspective, since all these positive externalities cannot be

priced, markets have too little incentives to provide them, resulting in failure to achieve a Pareto equilibrium between supply and demand (Baumol, 2011; White, 2012; Towse, 2019).

Acknowledging the public good characteristics of arts and culture has arguably been a starting point in shifting the focus more towards the wider social implications of culture beyond the purely economic ones. More recently, cultural economics is taking a valuation approach to the study of cultural goods, where profit is no longer seen as the only important outcome for the cultural sector, but often as an instrument for achieving wider social and cultural ambitions (Klamer, 2004, 2016; Potts et al., 2008; Throsby & Hutter, 2008; Dekker, 2015). The valuation approach acknowledges different justifications of value as identified in Boltanski and Thevenot's (2006) six economies of worth, namely the inspirational, the civic, the industrial, the market, the domestic and the fame dimensions. Each of these justifications allow for different conventions belonging to the social, cultural and economic dimensions, upon which meaning is asserted and evaluated (Dekker, 2015). Considering these multiple competing values, it could be argued that this new approach to cultural economics is an attempt to integrate the philosophical, sociological and economic inquiries for a more complete outlook on the meaning and purpose of arts and culture.

### **Arts and culture for regional development**

As outlined in the previous section, taking an integrated approach to the investigation of the various roles of arts and culture is a relatively recent concern. Philosophical inquiries seemed to mainly focus on the artistic function of cultural content - art for art's sake. Apart from brief references to the imitation, ethical and affective purposes of arts and culture (see Plato, 428-348 BC, as cited in Van den Braembussche, 2009; Tolstoy, 1995), no emphasis on the interaction between culture and the empirical world is prevalent within philosophical theories. In turn, arts and culture are somehow regarded as a superior force that cannot be understood through references and perspectives belonging to the material world (Kant, 1952). Sociological theories, on the other hand, tend to neglect the artistic dimension by only focusing on the interdependencies between culture and empirics (Taylor, 1978; Wolf, 1993; Bourriaud, 2002). Hence, from a sociological perspective, culture is a purely social construct, that shapes and is shaped by socio-historical contexts. Similarly, investigations into the role of arts and culture from a purely economic perspective are bound to the interaction between supply and demand, price theory and consumption utility (Dekker, 2015). It is quite recent that the field of cultural economics is developing into an integrated approach to the study of arts and culture, where artistic merit is acknowledged alongside the socio-economic implications. Nowadays, culture is increasingly being acknowledged as a crucial part of complex structures, hence increasing

attention is paid towards the potential for culture to influence socio-economic development at regional, national and global levels.

The following section is a discussion of the different impact dimensions of culture that are being discussed in academic literature and their empirical relevance. Further, the individual role of cultural heritage will be outlined, followed by a discussion on the potential for using local heritage resources in rural development strategies.

### *The socio-economic impacts of arts and culture*

Unlike commercial performance and artistic merit, the socio-economic impact of arts and culture goes beyond the mere production, distribution and consumption of cultural goods. It is not limited to the practice of art for art's sake, or to individual consumption utility. Instead, it covers social, cultural, and symbolic forms of capital, each having significant effects on multiple aspects of individual and collective lives (Brown, 2006; Belfiore, 2015, 2020; Hadida, 2015). Culture can have civilizing effects on society, influence changes in individual and collective norms, values and beliefs, communicate political, social and economic discourse, facilitate innovation and creativity, sustainability, social cohesion, better health and economic growth (Herrero et al., 2006; Anttonen et al., 2016; Azmat et al., 2018; Gomes & Librero-Cano, 2018; Windle et al., 2018; Vermeulen et al., 2019; Ateca-Amestoy & Casalini, 2021).

In this sense, cultural impacts are being discussed in both economic and social terms nowadays. The economic dimension is concerned with how arts and culture contribute to regional economic growth through both direct and indirect contributions to GDP (Herrero et al., 2006; Anttonen et al., 2016; Ateca-Amestoy & Casalini, 2021). Direct effects are determined by production, employment and income in the cultural sector, whereas indirect effects are identified in the growth of other potentially related sectors. The tourism, catering and accommodation sectors are most often referenced in this sense, as cultural attractions play significant roles in establishing tourist destinations (Herrero et al., 2006; OECD, 2009; Gomes & Librero-Cano, 2018). To illustrate, empirical examinations of the impact of the European Capital of Culture designation of cities demonstrate the potential for cultural assets to increase economic activity (Herrero et al., 2006; Gomes & Librero-Cano, 2018). Findings from a case study on Salamanca, the 2002 European Capital of Culture, identify significant economic impacts in terms of cultural tourism (Herrero et al., 2006). Similarly, a longitudinal study comparing the regions of winning cities and candidate cities found that the GDP per capita in hosting regions was, on average, 4.5% higher than in non-hosting regions, suggesting that cultural initiatives are a catalyst for local economic regeneration and development (Gomes & Librero-Cano, 2018). In addition, it was found that the differences persisted in the long term, remaining significant for more than 5 years following the event (Gomes & Librero-Cano, 2018).

In terms of social implications, arts and culture have the potential to influence and shape human behaviours, practices, norms, values and beliefs, facilitate social interaction and a sense of belonging among members of the same community, promote community diversity or even contribute to individuals' mental health (Bourdieu, 1984, 1986; Azmat et al., 2018; Windle et al., 2018; Vermeulen et al., 2019). A relevant example of the potential for culture to influence community dynamics is a study on the social impact of the Islamic Museum in Sydney, Australia. The research showed that the presence and activities of the Muslim museum positively contribute to the identity and confidence of local Muslim communities, and they also contribute to educating non-Muslims on Islamic culture (Azmat et al., 2018). Similarly, evidence for cultural effects on individual attitudes is reflected in several studies showing that exposure to cultural content can influence aggressiveness and hostility levels among consumers (Anderson et al., 2003; Bushman & Huesmann, 2006; Anderson et al., 2010; Greitemeyer, 2011). Further, a study on the impact of artistic activities on patients with dementia is illustrative of the mental health implications of arts and culture (Windle et al., 2018). Findings suggest that participation in creative projects can lead to a significant increase in self-esteem, capacity to focus, and decrease in negative emotions and sadness among dementia patients (Windle et al., 2018).

The social and economic impact dimensions of culture constantly interact in determining local qualities of life, and they have spillover effects on each other. In this sense, culture, in its capacity to shape human capital, has subsequent effects on the local economic direction, as it influences the creativity, innovativeness, entrepreneurial orientation and productivity of local communities (Bourdieu, 1984, 1986; Frey, 2003). Similarly, the community implications can lead to better collaboration between locals towards achieving mutual socio-economic ambitions (Azmat et al., 2018). In turn, local economic performance arguably plays a significant role in determining the overall social welfare of communities, as it influences the amount of opportunities and resources for material wellbeing, leisure activities and community interaction (Di Tella & MacCulloch, 2006). This interaction between the social and economic regional development dimensions is being studied in relation to cultural effects. A relevant example in this sense is the culture based development (CBD) theoretical framework and empirical model. The culture based development approach is effective in documenting the complexities of the culture-led socio-economic regional development cycle starting from the fundamental assumption that culture shapes the local human capital.

### *Culture Based Development*

In general terms, the CBD model is a comprehensive and structured matching point between existing theories on the socio-economic implications of culture and contemporary trends increasingly addressing the role of individual and collective behaviour in determining regional

development outcomes (Huggins & Thompson, 2019). The primary assumption of the CBD framework is that culture is a “proto-institution” (Tubadji & Pelzel, 2015, p. 1054) which determines the socio-economic rationale of a locality. More specifically, CBD implies that the socio-economic context of a region is highly dependent on its local culture, in its traditional (cultural heritage) and contemporary (attitudes, lifestyles or behaviour) forms. In this sense, CBD claims that culture is a latent entity comprising both material and immaterial factors that generate a joint impact on regional socio-economic development (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015).

The CBD model has its theoretical grounding in Bourdieu’s (1984, 1986) theory of cultural capital and Weber’s (1904) focus on cultural heritage as a formative influence in the establishment of local social institutions. As such, CBD states that the formation of human capital is strongly influenced by its local cultural capital and that cultural heritage, as a symbol of traditional values, plays a particularly important role in the development process. Hence, cultural capital influences human behaviour, norms, beliefs and values, and, since humans are the driving force for economically relevant decision-making, culture affects the whole palette of rational choices in a locality (Tubadji & Nijkamp, 2015b). In this sense, the CBD main hypothesis maintains that culture impacts the formation of human capital in the locality, and, by shaping local human capital, it plays an important role in determining local levels of economic productivity (Tubadji et al., 2015).

Further expansions of the CBD hypothesis consider culture as an appealing factor for attracting human capital to a locality. This assumption is based on Florida’s (2005) findings on the role of artists - Bohemians - as indicators for creativity, in attracting external migration. Florida (2005) argued that the more culturally rich a region, the more likely it is to have creative, tolerant and diverse communities, attract external human capital and foster innovation, all leading to higher economic performance. Consistent with Florida’s (2005) viewpoint, the CBD model assumes that the presence of creative labour results in higher in-flow migration, influencing the concentration of skilled human capital which in turn is significant for local productivity (Tubadji, 2012; Tubadji et al., 2015)

The culture-based development theoretical model has been applied in different empirical settings as a useful tool for identifying different socio-economic impact areas of culture and their interdependence within the regional development process. Findings showed evidence of multiple socio-economic effects such as the potential for culture to contribute to the decrease of criminality rates, the attraction of external migration, the increase in local productivity, and the improvement of the overall social wellbeing of communities (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al, 2015).

For instance, empirical applications of the CBD framework to Germany and Greece (Tubadji & Pelzel, 2015; Tubadji & Nijkamp, 2015b) successfully reinforced the CBD assumptions that cultural capital influences the formation of human capital by facilitating the accumulation of skills and knowledge among the local workforce. Indirect effects of culture, identified as the accumulation of skilled human capital, were found to influence levels of local productivity. Furthermore, the findings highlighted the individual significance of cultural heritage within the impact mechanism (Tubadji & Pelzel, 2015).

Alternative empirical applications also focused on the potential for culture to attract migration, the individual impact of arts on regional development and the effects of culture on social wellbeing beyond the indirect impact resulting from economic performance. In this sense, a study conducted in Germany (Tubadji, 2012), used cultural workers alongside cultural capital and cultural heritage as indicators for creativity and explanatory variables for the formation of skilled human capital in the assessed regions. The findings confirmed the significance of creativity and artistic practice in shaping the local human capital, which, in turn, was found to be significant in determining local productivity. Similarly, a study conducted in the USA explored the role of arts in attracting external migration and expanded on the model by looking into the effects of culture on social wellbeing (Tubadji et al., 2015). The standard CBD hypothesis was confirmed to also be relevant within the American regional setting, showing the significance of local culture and cultural heritage for the formation of skilled human capital and regional economic growth. Moreover, the empirical findings showed that immigrants in the USA are attracted by the artistic concentration in the locality (Tubadji et al., 2015), pointing at the positive effects of local creative communities in attracting external human capital. In terms of social wellbeing, the correlation between cultural variables and happiness is lower. However, criminality rates were found to decrease as cultural vitality increased, ultimately pointing towards positive effects of culture on social wellbeing.

In summary, the CBD model shows cultural capital as an influence in the formation of human capital in a locality, by having significant effects on individuals' education, values and attitudes, in line with the Weberian (1904) and the Bourdieuan (1984, 1986) schools of thought. Human capital, in turn, is confirmed as a leading force determining local productivity, hence economic wellbeing in a region, according to the standard economic production function, where skilled human capital alongside physical capital are the main determinants of economic performance. CBD further outlines the role of culture in attracting external migration to a locality by focusing on the particular role of arts and culture, reinforcing Florida's (2005) assumption that skilled human capital is attracted to areas where a large concentration of artists exists. Furthermore, the model points towards the complex interdependencies between the cultural, economic and social dimensions. In particular, it provides valuable insights into how the

impact mechanism is constructed, by outlining the strong links between cultural heritage and the formation of local culture as well as the interdependencies between economic welfare and social wellbeing, where economic welfare has a significant impact on social wellbeing and vice versa (Tubadji & Pelzel, 2015; Tubadji & Nijkamp, 2015b).

Moreover, the acknowledgement of cultural heritage as a particularly relevant element in the socio-economic development process is consistent with more recent academic inquiries focusing on the individual role of cultural heritage within the regional impact mechanism.

### *The role of cultural heritage*

Cultural heritage is known to reflect traditional values through both tangible and intangible assets inherited from the past. As per UNESCO's World Heritage Convention (1972), tangible heritage is represented by material cultural and historical artifacts including artworks, buildings, monuments and other products of human creativity. Intangible heritage, on the other hand, is concerned with practices, expressions, knowledge or skills that communities acknowledge as part of their cultural heritage, namely performing arts, traditional crafts, local cuisine, customs, traditions, folklore, myths or celebrations (UNESCO, 2003).

Cultural heritage, in its material and immaterial forms, is increasingly being recognised as an instrumental factor in shaping local socio-economic trajectories across multiple dimensions. The major impact areas are concerned with the material, social and symbolic values of cultural heritage and they cover both direct and indirect effects on the socio-economic trajectory of regions. Appendix A outlines a summary of the dimensions identified in the literature.

Concerning more direct economic effects, cultural heritage has been identified as a significant factor for economic growth, both as a commercial activity in itself and as a determining factor for cultural tourism (Walker et al., 2003; Ashworth, 2013; Nared & Bole, 2020). In this sense, the practice of traditional arts and crafts can result in a designated economic sector for the commercialization of heritage goods. Hence, arts and crafts workers can maintain their livelihood by selling their products to locals and/or exporting them to other regions (Walker et al., 2003). In addition to physical heritage sites, traditional arts and crafts, together with traditional celebrations, customs or other forms of intangible heritage, can represent valuable resources for cultural tourism. Such resources can attract tourists to specific destinations, resulting in wider benefits beyond the cultural sector. In this sense, tourist in-flows can indirectly facilitate economic growth by encouraging the development of the accommodation market, transport services and infrastructure or the food industry among others (Ashworth, 2013; Nared & Bole, 2020). All these potential effects can be translated into enhanced entrepreneurial

direction, more work opportunities, more income streams and hence access to a better material quality of life for locals.

In terms of social implications, cultural heritage is regarded as a major factor in the formation of local human capital (Lin, 2001; Walker et al., 2003; Agarwal et al., 2009; Winter, 2015; Nared & Bole, 2020). This argument is consistent with Weber's (1904) inquiry into the formative role of cultural heritage in establishing social institutions and its application in the CBD framework previously discussed (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015). Weber's (1904) argument is consistent with Bourdieu's (1984, 1986) view of cultural capital as a major influence on individuals' education, social status, preferences, attitudes or behaviours. However, Weber (1904) argued for the particular relevance of traditional culture in shaping individual and collective consciousness. To reflect this, Weber (1904) focused on how religion, as a particular form of cultural heritage, has been determining the formation of religious, social and political institutions and has been influencing human actions throughout history. Furthermore, through its impacts on reinforcing local identities, cultural heritage is also seen as a factor for local demographic regeneration. More specifically, owing to its symbolic values, heritage is seen as a potential influence on the attraction and retention of human capital (Kaltenborn et al, 2013). Lastly, more recent academic inquiries argue that cultural heritage is a source of inspiration for local communities, hence a facilitator for the formation of creative human capital (Cerisola, 2019).

Cultural heritage has also been identified as a factor for community empowerment and cohesion (Walker et al., 2003; Agarwal et al., 2009; Jimura, 2011; Ashworth, 2013; Winter, 2015; Gorlach et al., 2014; Gallou & Fouseki, 2019; Nared & Bole, 2020; Chen et al., 2021). As such, the authentic character of cultural heritage can act as an indicator for the local identity and a branding tool illustrating the uniqueness of specific regions (Gorlach et al., 2014; Winter, 2015; Gallou & Fouseki, 2019). Moreover, active community participation in preserving tangible and intangible heritage can help locals assert their collective identity by helping them to stay connected with their traditional values (Walker et al., 2003). External recognition of their heritage can positively impact communities' confidence levels and perceptions of their traditional cultural assets (Gallou & Fouseki, 2019). Adding to this, active participation in preserving cultural heritage can contribute to the establishment of strong communities based on values and beliefs that are collectively treasured. This can further result in increased social responsibility among community members and more active involvement in community actions for the collective benefit (Walker et al., 2003).

All these impact dimensions of cultural heritage suggest great potential for heritage resources to be employed in strategies for revitalizing local socio-economic trajectories. In

particular, they suggest opportunities for heritage-led rural development, given that cultural heritage resources are often rich within rural contexts.

Still, academic, empirical and policy inquiries into cultural effects on regional development are mostly focused on impacts at either urban or wider regional levels, where it is still the cultural vitality of the cities that account for most insights. In comparison to these, few studies and policies have so far touched upon the potential for culture to influence rural development. In fact, culture and culture-led development are often considered to be more specific to urban settlements, as the place where human capital, artistic expression and education are concentrated (Montalto et al, 2019). In this sense, it is argued that, for culture based development to be possible, it is essential that localities dispose of rich academic resources, high cultural vitality in terms of production and consumption of both traditional and contemporary arts alongside labour force, technological enablers and other infrastructure elements alike (Montalto et al, 2019). Since urban settlements dispose of overall richer social and cultural capitals than rural areas, the potential for employing culture for development is expected to be higher in cities.

#### *Heritage-led rural development*

While rural areas are less developed in terms of modern culture, education and infrastructure, they are rich in cultural heritage, both tangible and intangible. That is to say, rural communities tend to be more grounded in their traditional roots, hence the cultural heritage is claimed to be particularly well-preserved in rural settings, unlike in urban settlements where more emphasis is put on contemporary, modern culture (Ray, 1998; Duxbury & Campbell, 2011).

As discussed, cultural heritage is increasingly being considered as a major factor for socio-economic development in both direct and indirect terms. More specifically, cultural heritage is acknowledged as a driver for creativity, a factor for regional economic growth, especially through fostering cultural tourism, a contributor to the formation of local human capital and the local demographic regeneration, as well as an empowering and identity-enhancing factor and a source for community cohesion (Lin, 2001; Walker et al., 2003; Agarwal et al., 2009; Jimura, 2011; Ashworth, 2013; Winter, 2015; Gorlach et al., 2014; Gallou & Fouseki, 2019; Nared & Bole, 2020; Chen et al., 2021).

Considering this, there seems to be high potential for valorising cultural heritage as a tool for addressing some of the common rural socio-economic challenges affecting the locals' quality of life (Ray, 1998; Duxbury & Campbell, 2011), such as high youth emigration rates, aging population, limited social and economic opportunities and poverty (Anderson, 2003; Gardner, 2005; Farrington & Farrington, 2005; Agarwal et al., 2009; Ortega & Peri, 2009). In this sense,

employing a “culture economy” (Ray, 1998, p. 4) approach, based on cultural heritage as a primary asset, could be a suitable strategy for organic rural development, where local cultural resources are used for driving socio-economic development.

In fact, empirical studies in this direction have been effective in highlighting the various impact dimensions of cultural heritage and demonstrating the effects of heritage on local socio-economic trajectories. A study on the perceived values of culture in rural areas in Poland (Gorlach et al., 2014) identified 12 different understandings of the role of culture in rural development, derived from the empirical analysis of multiple interviews conducted locally: “culture as legacy, culture as modernity, culture as an instrument of modernization, culture as a developmental type of resource, culture as politics, culture as a mechanism of economic growth, culture as industry, culture as power, culture as an instrument for human emancipation and agency, culture as a type of human rights, culture as identity, as well as culture as discourse” (Gorlach et al., 2014, p. 21). Perceptions of the role of cultural heritage for socially sustainable rural development in the Orkney Islands in Scotland, UK (Gallou & Fouseki, 2019) are consistent with the findings from Poland in terms of the potential for heritage to support the rural economy, more specifically through cultural tourism and associated economic activities, and its role in maintaining local discourse and identity (Gallou & Fouseki, 2019). The empirical findings from this study expand on the impact dimensions by suggesting the role of heritage as a branding tool for rural destinations, and as a significant factor for social cohesion through its potential to facilitate social interaction within rural communities (Gallou & Fouseki, 2019, p. 366).

In terms of assessing the impact of cultural heritage on local socio-economic trajectories, most empirical studies focus on cultural heritage as a factor for tourism. A specific example is a study investigating the impact of cultural tourism on poverty alleviation in Kilimanjaro, Tanzania (Anderson, 2015). The research findings confirmed that cultural tourism is a significant contributor to the economic wellbeing of rural communities in Kilimanjaro by providing them with a reliable and sustainable source of income (Anderson, 2015). Similarly, a study examining the case of the World Heritage Site Oigimachi village, part of the Shirakawa-mura province in Japan, resulted in a similar conclusion as far as the economic potential of cultural tourism is concerned. More specifically, findings identified that Oigimachi’s global recognition as a World Heritage Site determined a general shift from agriculture, construction and forestry to cultural tourism as the most profitable and sustainable local economic activity (Jimura, 2011). In addition, an enhanced sense of pride over the global recognition of their local heritage was identified among local participants in the study (Jimura, 2011). On the other hand, while enhanced cultural tourism had positive effects on the local economy and the locals’ levels of

confidence, local residents acknowledged feeling invaded by large flows of tourists and, to some extent, alienated from their traditional culture (Jimura, 2011).

Another empirical investigation into the effects of the World Heritage Site status of rural settlements on local communities in Vega, Norway, provides a distinct view on the perceived economic impact of cultural tourism (Kaltenborn et al, 2013). Findings showed that Vega residents did not seem to value cultural tourism as a sustainable economic activity as much as the agricultural sector (Kaltenborn et al, 2013). On the other hand, local communities seemed to value cultural heritage more for its social implications, such as its influence in developing a stronger local identity (Kaltenborn et al, 2013). In this sense, locals saw the conservation of tangible cultural heritage and the revitalization of old cultural traditions as a means for reinforcing the authenticity of their local culture, making the island more appealing to the local younger generations to settle in (Kaltenborn et al, 2013).

The commercial potential of cultural heritage has also been empirically proven. A relevant example is a case study on batik production in Danzhai County, a rural area in China (Chen et al, 2021). Batik has its origins in Danzhai's Miao ethnic minority, and it is considered as one of the finest traditional textiles in China (Chen et al, 2021). It is a clothing item created with a traditional method using melted wax for dyeing and decorating. Batik is crafted by women from the Miao community and its production, distribution and commercialisation were found to be sustainable sources of income and employment in Danzhai's wider local community (Chen et al, 2021). In addition, findings suggest that the practice has empowering effects on the Miao women community and the wider recognition of batik has positive implications for the collective identity and esteem of the Miao ethnic minority (Chen et al, 2021).

An ethnographic study based on two Japanese rural traditional practices - the Tsugaru Shamisen music performance and the Tsugaru Nuri lacquerware (Rausch, 2010) - draws similar conclusions concerning the commercial potential of cultural heritage. More importantly, the study also outlines a series of conditions for such potential to be maximised and to ensure rural economic performance. As such, a cohesive community, skilled human capital, knowledge on the local cultural resources, high entrepreneurial orientation and levels of innovation as well as public financial support for preserving and promoting cultural heritage and a good local infrastructure were identified as essential (Rausch, 2010). In addition, conclusions resulting from comparing the different trajectories of the two traditional practices suggest that innovation is particularly significant in determining the success of a heritage-based development initiative. More specifically, the study outlines that the Tsugaru Shamisen music enjoyed greater success than the Tsugaru lacquerware tradition, despite the former benefiting from public financial support. This was explained by the fact that Tsugaru Shamisen music managed to gain a wider reach through exposure on radio and television (Rausch, 2010). Hence, it can be concluded that

adapting cultural heritage to current social contexts seems to be particularly important in ensuring its wider appeal.

The outlined studies provide strong evidence to justify the relevance for considering cultural heritage as a factor influencing socio-economic rural trajectories. The potential for heritage-led rural development is evident, especially in terms of economic growth through cultural tourism. Arguably, this potential is becoming increasingly relevant at present, as the COVID-19 pandemic seems to have brought increased opportunities for the development of rural tourism. Recent evidence from the Czech Republic showed an overall growth in tourist visits during the summer of 2020, as compared to 2019, in five rural regions of South Moravia (Vaishar & Stastna, 2020), suggesting that there might be scope for rural tourism to become a viable alternative to the more popular and crowded destinations in the coming years. Hence, rural areas are nowadays faced with increased opportunities and incentives to valorise their local cultural heritage and use it as a branding tool to attract tourists.

Nonetheless, it is worth mentioning that the interaction between the social and economic dimensions for culture-led development can sometimes result in unintended negative effects on the local communities. The case study on Ogimachi village is illustrative in this sense, showing that excessive tourist in-flows can affect local's social wellbeing and how they perceive their identities with regards to the symbolic value of their heritage. Considering these findings, it could be argued that it is crucial for heritage-led development to be conducted in a sustainable and mindful manner, accounting for the local communities' needs and the preservation of cultural heritage (Cavaye, 2001). Still, as identified in the Tsugaru Shamisen music and the Tsugaru lacquerware case studies (Rausch, 2010), innovating and adapting cultural heritage to current social contexts seems essential in ensuring its commercial success. As such, sustainable cultural development measures should be mindfully chosen so that a balance between commodification and the authenticity of cultural heritage is maintained (Nared & Bole, 2020).

In addition, the study conducted in Vega, Norway, points towards differences in local perspectives as far as development trajectories are concerned. Here, while cultural heritage is acknowledged as a valuable resource for economic growth, a culture-led development strategy is not necessarily preferred at the local level. This arguably suggests that the existence of cultural resources is not sufficient in determining the success of a heritage-led development strategy, as this highly depends on the extent to which it is valued and cultivated within the local communities. For this reason, the active participation of local communities in culture-led development projects may be a lucrative approach to reconnect locals with their heritage and maximize both social and economic outcomes (Stocks, 2002; Shah & Baporikar, 2010). As such, employing a bottom-up, organic approach is more likely to be sustainable and mindful of local values and perspectives.

Cultural heritage may not be the definite answer to many pressing issues for rural communities and, as evidence shows, it may even generate negative effects on their social wellbeing in some cases. However, academic discussions and empirical evidence show that it is important to acknowledge cultural heritage as a local resource and consider its multiple impact dimensions so as to identify whether and how it can be used for the benefit of local communities. In this sense, studies on the effects of cultural heritage on socio-economic rural development should account for both positive and negative implications as well as for the underlying local conditions facilitating or challenging cultural effects.

### **The potential for heritage-led development in rural Romania**

There are many cultural heritage resources available within rural communities in Romania, still not much seems to be done with regards to assessing and valorising their socio-economic potential. Romanian rural regions are still faced with precarious socio-economic conditions, where poverty and material deprivation are still major concerns among large parts of the populations (Ignat et al., 2014).

The following section discusses the socio-economic conditions of the Romanian rural communities and provides an overview of academic inquiries into the potential and challenges for cultural heritage to influence their development trajectory.

#### *The Romanian rural context*

Romania's transition from communism to a democratic society and a capitalist economy since 1989 brought several socio-economic changes, to which major parts of the Romanian society are yet to be adapted (Ignat et al, 2014). Most policies have been brought in line with the European standard and major cities were able to thrive within the new socio-economic context (Ignat et al, 2014, De Rosa & Kim, 2018), however, rural regions seem to be struggling in this respect. In this sense, it could be argued that common socio-economic challenges prevalent within rural communities are particularly striking in the Romanian rural settings. Rural areas in Romania are generally faced with poor infrastructure - in terms of public transportation, services, basic utilities and modern telecommunication - poor functioning of local public institutions, lack of skilled human capital and entrepreneurial orientation, reduced economic activity and higher unemployment rates compared to urban regions, as well as high emigration rates (Rusu & Florian, 2003; Naghiu et al., 2005; Mihalache, 2013; Popescu, 2013; Ignat et al., 2014; Mikulcak et al., 2015; Sandu & De Jong, 1996; Horvath, 2008; Bruja & Bruja, 2014; Torok, 2014; Míndrican & Aceleanu, 2020).

The economic rural landscape was affected by structural changes in the agricultural sector following the collapse of communism in 1989. Public farms were closed down as land

was distributed back to private owners and the agricultural sector had to be reconstructed in line with the new political and economic systems. Nonetheless, most village communities found it challenging to adapt to the new conditions, and many of the ones that continued working in agriculture using their own resources could not thrive within the European competitive market (Naghiu et al., 2005). As such, the agricultural sector has seen a major decline following the 1989 Democratic Revolution, and it is yet to recover, judging by the current socio-economic rural context in Romania.

Given that agriculture has been the main economic activity in rural Romania up until 1989, the non-agricultural sector was often neglected and remained underdeveloped, resulting in very few alternative income streams available for rural communities (Mihalache, 2013; Mikulcak et al., 2015). Hence, nowadays, employment beyond agriculture is mostly limited to the public administration, education, health and retail sectors (Mihalache, 2013). In addition to the reduced work opportunities, most rural inhabitants feel unqualified, in terms of education and skills, to work in non-agricultural sectors. Hence, many locals choose to either keep working in agriculture or to simply withdraw from the labour market (Rusu & Florian, 2003; Mihalache, 2013). Nonetheless, considering the struggles of the agricultural sector, very few farmers manage to sustain their livelihoods through the commercialization of agricultural goods. As such, agriculture is mostly practiced at a subsistence level, providing little contribution to the performance of the local economy (Rusu & Florian, 2003; Mihalache, 2013). Similarly, residents voluntarily withdrawing from the labour market no longer contribute to the production of goods and services. The qualified labour force, on the other hand, tends to leave rural areas due to the underlying low economic incentives of rural regions. Hence, large flows of youth emigration are common within Romanian rural settings (Mikulcak et al., 2015). Most rural migration flows are directed towards Western European countries, as a more attractive alternative to urban Romanian regions, given that wages are significantly larger abroad (Mîndrican & Aceleanu, 2020).

These demographic trends highlight the interdependence of human capital and economic performance. As such, reduced economic activity in rural Romania leads to a reduced qualified workforce which, in turn, poses great challenges for economic development prospects.

In addition to the outlined socio-economic circumstances, prospects for development in rural Romania are also threatened by the poor cooperation between the civil society, public and private institutions (Rusu & Florian, 2003). A major challenge in this sense is the common tendency of local public authorities to be more focused on political interests at the expense of local communities' wellbeing (Forian & Rusu, 2003). This arguably results in unstable institutional structures facilitating distrust in public authorities and an overall skepticism towards local development possibilities among locals (Mikulcak et al., 2015). Hence, the lack of well-performing local institutions coupled with the hopelessness of local communities poses great

challenges for development. Given these circumstances, the majority of Romanian rural communities are trapped within material deprivation and poverty conditions, and overcoming such issues seems to require fundamental changes in the local rationale. Owing to its influence in shaping local human capital in terms of education, values, attitudes, behaviours and empowerment, cultural heritage might be a solution to revitalizing the Romanian rural context at its core.

### *Cultural heritage resources*

Despite the evident lack of economic resources, Romanian villages seem to display a rich and diverse cultural heritage.

Most of Romania's tangible cultural heritage added to UNESCO's World Heritage List belongs to rural areas, such as the fortified villages in Transylvania, the wooden churches of Maramures and many of the Moldavian churches. Similarly, Romania's intangible heritage inscribed in UNESCO's List of Intangible Cultural Heritage, reflected in traditional crafts, folklore and celebrations, has its origins in rural communities and much of it is still actively practiced at present (Burlacu, 2019). In addition, heritage resources in rural Romania are highly diverse. That is to say, Romanian tangible and intangible traditional assets coexist with the cultural heritage of ethnic minorities that live in rural settlements and have been contributing to the national identity of the country throughout history. Romanian villages are home to a large diversity of heritage resources, each differing from one historical region to another and reflecting different ethnographic influences (Constantin & Mitruț, 2009; Burlacu, 2019). In this sense, the Transylvanian rural cultural landscape is characterised by the interaction of Hungarian, German and Roma cultural heritage with the Romanian traditional assets. Northern rural Romania, on the other hand, has major Ukrainian and Russian cultural influences, and the Southern regions reflect a combination of Romanian, Roma, Turkish, Russian, Greek and Aromanian cultural heritage.

Considering the outlined cultural context of rural Romanian regions, the heritage supply consists of historical and architectural monuments, churches, castles, fortified villages, museums as tangible assets, and Romanian and ethnic minority-specific traditional arts, crafts, customs, holidays and festivals as intangible resources. The diversity and richness of heritage assets points towards the contemporary relevance of cultural heritage in Romanian rural landscapes and the potential to consider it as a tool for addressing the socio-economic challenges facing rural communities.

In line with the international research trends into the effects of culture on rural development, academic literature exploring the Romanian rural context is mostly focused on assessing cultural assets in terms of tourism (Turnock, 2002; Iorio & Corsale, 2010; Matei, 2015; Buș et al., 2017; Gherasim & Gherasim, 2017; Marian, 2017; Burlacu, 2019). In this sense, most

inquiries are based on the acknowledgement and description of the cultural offer so as to demonstrate the presence of heritage resources. To illustrate, the potential for sustaining rural livelihoods through cultural tourism has been discussed extensively in relation to the North and North-Eastern Romanian regions, namely Maramures (Turnock, 2002) and Bucovina (Matei, 2015), as a result of both being included in the UNESCO World Heritage List for their material and immaterial rich cultural heritage. Here, great potential is seen for museum tourism and traditional events, as means for local communities to access alternative income streams beyond agriculture.

While the potential for cultural heritage to contribute to the socio-economic wellbeing of rural communities in Romania is being discussed, the actual effects of cultural heritage are subject to limited empirical evidence. The only identified example is a qualitative study conducted in the Land of Călata, North-East of Transylvania. The findings obtained from interviews conducted with locals from two villages, Izvorul Crisului and Sâncraiu, confirmed that traditional crafts, music and dance can be significant in attracting cultural tourism (Buş et al., 2017). The study expands on the implications for cultural tourism by highlighting that tourist in-flows generate positive effects on the commercialization of traditional crafts, since tourists are the main buyers of heritage goods (Buş et al., 2017).

Yet, when discussing cultural effects, it is also important to account for other local conditions necessary to facilitate them. As highlighted in the previous chapter, the existence of local heritage resources is often not enough in ensuring local socio-economic performance, since actual effects depend on factors such as the extent to which cultural heritage is preserved and appreciated at the local level, the local entrepreneurial orientation and openness to innovation, the wider/external appeal of local heritage assets, or the support enabled by local and national public institutions (Stocks, 2002; Shah & Baporikar, 2010; Rausch, 2010; Jimura, 2011; Kaltenborn et al., 2013, Nared & Bole, 2020). In this sense, heritage-led rural development is arguably faced with several challenges emerging from the socio-economic and political conditions of Romanian rural regions.

In this sense, local attitudes on the preservation of cultural heritage present major threats for the local heritage resources - both tangible and intangible. This is mainly due to reduced efforts and cooperation between public institutions and local communities in preserving heritage resources (Tonta, 2009). At present most preservation actions do not emerge at the local level. Instead, they are supported by the national government and are mostly directed towards urban settlements or rural areas where tourism is more developed (Stan, 2017). Hence, the neglect of less popular heritage sites prevents many rural regions from valorising the potential of their cultural assets. Adding to this, the local attitudes towards the importance of preserving local heritage resources seems to be equally concerning. More specifically, most efforts to preserve

local traditional assets are maintained by the elders while the younger generations tend to be unconcerned about the roles and potential socio-economic benefits of cultural heritage (Holostencu, 2018). Because of this, it is inevitable for rural traditions to eventually die out and for tangible heritage to deteriorate in the near future, provided that youth's perceptions on the preservation of cultural heritage do not change. Moreover, the poor road and services infrastructure prevalent within rural Romanian regions is likely to represent a major threat for local branding and the development of cultural tourism (Mateoc-Sîrb et al., 2010; Popescu, 2013).

To conclude, the gap in empirical research on the socio-economic effects of cultural heritage in Romania provides scope for further evaluation in this direction. In this sense, more empirical testing of the effects of culture on rural development is necessary to allow for a more accurate view on how cultural heritage shapes Romanian rural communities in practice. Considering the rich cultural heritage of Romanian rural settlements, employing a cultural approach to socio-economic development might be a sustainable option for organic growth through local resources. Nonetheless, it is essential to also consider the potential challenges for successful heritage-led development initiatives, as these may be useful in informing the necessary steps for ensuring actual socio-economic effects through culture. Considering the challenges discussed with regards to the preservation of rural cultural heritage in Romania, it can be argued that primary efforts should be made with regards to changing local perspectives on the relevance and values of cultural heritage.

In this sense, empirical research may allow for valuable evidence which could strengthen the case in favour of the socio-economic potential of cultural heritage. This evidence could in turn be used to educate local communities and inform strategies for incorporating cultural heritage in rural development projects and policies in Romania.

## **Methodology**

This research explores the socio-economic implications of cultural heritage in Romania, following on the recent research trajectory of assessing the individual role of cultural heritage in rural development. Predominantly rural regions in Romania are the subject of the analysis, in an attempt to test whether the multiple socio-economic impact dimensions of cultural heritage discussed in academic literature and empirical research can be replicated within the Romanian context. The study considered the potential for cultural heritage to contribute to the formation of local human capital by encouraging education and creativity, the effects of cultural heritage on local migration trends and on economic performance as well as the role of cultural heritage as an identity-enhancer and community empowering element (Weber, 1904; Bourdieu, 1984, 1986;

Ray, 1998; Lin, 2001; Walker et al., 2003; Agarwal et al., 2009; Rausch, 2010; Jimura, 2011; Duxbury & Campbell, 2011; Haworth, 2013; Kaltenborn et al, 2013, Winter, 2015; Anderson, 2015; Cerisola, 2019; Gallou & Fouseki; Nared & Bole, 2020, Chen et al., 2021).

As identified in the previous section which discussed the cultural, social and economic characteristics of Romanian rural environments, some of the major challenges for local communities are related to their ability to adapt to the new economic conditions reflected in the decline of the agricultural sector. As a result, much of the local workforce chooses to either withdraw from the labour market or work in agriculture due to a lack of necessary skills to perform in a non-agricultural sector, and the skilled labour force chooses to emigrate to more economically developed territories (Naghiu et al., 2005; Mihalache, 2013; Rusu & Florian, 2003; Popescu, 2013; Ignat et al., 2014; Mikulcak et al., 2015; Sandu & De Jong, 1996; Horvath, 2008; Bruja & Bruja, 2014; Torok, 2014; Mîndrican & Aceleanu, 2020). In this sense, Romanian rural communities seem to be trapped in a cycle that perpetuates the patterns for economic underdevelopment. Nonetheless, the potential for cultural heritage to address rural challenges alike is being discussed more frequently at the international level. Such inquiries are also being explored with regards to the Romanian rural context, given that rural regions in Romania dispose of rich heritage resources that could potentially be used for organic local development (Turnock, 2002; Constantin & Mitruț, 2009; Iorio & Corsale, 2010; Matei, 2015; Buș et al., 2017; Gherasim & Gherasim, 2017; Marian, 2017; Burlacu, 2019).

Insights gathered from the analysis of the Romanian social, economic and cultural rural context were used as a methodological basis for this study. Hence, the empirical model developed for this research considered some of the most fundamental issues for Romanian rural communities and tried to test whether academic discussions on the socio-economic effects of cultural heritage are also applicable to the particularities of the Romanian territory. For this reason, the research explored the potential for cultural heritage to influence migration trends, the formation of skilled human capital and the overall economic performance in Romanian rural regions.

The study employed a quantitative approach, and the empirical method was constructed following the CBD theoretical and empirical model. This choice is primarily reasoned by the fact that CBD provides a suitable framework for studying the individual effects of cultural heritage. More specifically, the model allows for the distinction between cultural heritage (CH), which is culture inherited from the past, and living culture (LC), that is shaped and practised in contemporary society, as primary elements of cultural capital (Tubadji & Pelzel, 2015). Second, previous CBD empirical applications suggest the model's robustness and consistency in studying the effects of cultural heritage with regards to migration, the formation of human capital and the overall local economic performance (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a,

2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015). Third, it successfully accounts for the endogeneity of the indicators used for assessing the influence of cultural heritage on socio-economic development. For this reason, the CBD framework allows for a holistic identification of cultural effects on regional development in the sense that it makes evident both direct and indirect impacts. In this respect, the CBD approach was expected to provide a complex overview of the impact dimensions of cultural heritage in rural Romania. Hence, this research approach hopes to bring a valuable contribution to the evaluation of the potential for culture to facilitate rural development in Romania beyond tourism, and to address an apparent gap in quantitative research in this direction.

### **Hypotheses**

Based on the discussed literature on the socio-economic effects of cultural heritage, the following hypotheses were developed and tested within the Romanian rural context:

**H1** Cultural heritage contributes to the retention of local human capital

**H2** Cultural heritage influences the formation of human capital in a locality

**H3** Cultural heritage is a factor for local economic development

The first hypothesis derives from the theoretical assumptions regarding the effects of culture on attracting external migration (Florida, 2005), and the particular role of cultural heritage in the retention of rural human capital (Kaltenborn et al, 2013). Considering the common migration trends identified in rural areas, also prevalent within Romanian rural landscapes, characterised by heavy depopulation and the migration of the local population to urban settlements (Mazumdar, 1987; Sandu & De Jong, 1996; Lucas, 2004; Horvath, 2008; Torok, 2014; Mîndrican & Aceleanu, 2020), the hypothesis focuses on the retention rather than the attraction of human capital. Thus, the first hypothesis maintains that cultural heritage, through its inherent ability to foster creativity, empower communities and to help them assert their local identities (Florida, 2005; Kaltenborn et al, 2013; Cerisola, 2019), acts as an appealing element for the local population, influencing their migration decisions.

The second hypothesis considers the role of cultural heritage in the formation of local human capital. Here, human capital is conceptualized in economic terms, considering the knowledge and skills of local participants in the labour market. Following the Bourdieusian (1984, 1986) theory of cultural capital and previous academic findings regarding the educational role of culture (Azmat et al., 2018; Anttonen et al, 2016; Vermeulen et al, 2019; Belfiore, 2020; Ateca-Amestoy & Casalini, 2021), this hypothesis asserts that cultural heritage is a significant factor for the accumulation of knowledge and skills in rural regions. The particular focus on

cultural heritage is also reasoned by the neo-Weberian approach employed in the CBD theoretical framework highlighting the role of traditional values in the human capital formation mechanism (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015).

The third hypothesis maintains that cultural heritage can contribute to local economic development by influencing local productivity levels. This assumption is consistent with previous academic inquiries into both direct and indirect economic effects of cultural heritage, as far as cultural tourism, the commercialization of traditional arts and crafts and the creative and educational implications of culture are concerned (Ray, 1998; Ashworth, 2013; Anderson, 2015; Rausch, 2010; Jimura, 2011; Gorlach et al., 2014; Walker et al., 2003; Rausch, 2010; Chen et al., 2021).

The hypotheses reflect both social and economic dimensions of local development. As such, social implications can be identified in the role of cultural heritage in demographic regeneration, by influencing local migration trends and education levels, and economic effects are reflected in local productivity.

## **Data**

The data sample consists of 27 out of the total 28 Romanian predominantly rural regions, the classification of which was done according to Eurostat's NUTS3 rural-urban typology. One county was dropped due to data availability and accuracy reasons in order to avoid biased results. As per Eurostat's definition (Albertone et al., 2019), the selected regions qualify as predominantly rural as they have at least 50% of their population living in rural settlements with a population density of less than 300 inhabitants per km<sup>2</sup> and/or a population of less than 5000 people.

The study employed a cross sectional analysis in order to account for the variations in the data points between the different rural regions under study. Upon data availability for all selected variables, the study explored the relations between cultural heritage and socio-economic indicators for the year 2015. The dataset was compiled from five sources: Eurostat, the Romanian National Institute of Statistics, the Romanian Ministry of Culture and UNESCO's World Heritage and Intangible Heritage lists.

Measures for the cultural dimension focused on cultural heritage as a strong asset of rural areas as well as an important element of cultural capital. The study employed three different cultural measures as the main explanatory variables of interest to capture the existence and preservation of tangible and intangible cultural heritage as well as the local cultural participation. The variables were constructed considering indicators for cultural heritage used in academic and European institutional research on the socio-economic effects of cultural heritage (Jimura, 2011;

Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015; Guccio et al., 2018; Melloni et al., 2020).

First, the *CH* variable indicates the presence of cultural heritage - material and immaterial- in the regions. It was constructed as a sum of the number of world heritage sites and intangible heritage assets inscribed in UNESCO's heritage lists, the number of historic monuments consisting of archaeological and architectural sites, statues and funerary monuments, and the number of museums and libraries divided by the total surface of each region. The size of the regions was considered to reflect the local concentration of cultural heritage. Even though libraries and intangible heritage are not common as indicators for cultural heritage in academic research, they have been considered to account for a wider spectrum of elements deemed as cultural heritage (Melloni et al., 2020). Data regarding world heritage sites and intangible cultural heritage was obtained from UNESCO's World Heritage and Intangible Heritage lists and it accounts for all elements that were granted world heritage status by 2015. Information regarding historic monuments was obtained from the Heritage Department of the Romanian Ministry of Culture. Data regarding historic monuments was updated by the Ministry in 2015, thus providing accurate records for the time period under analysis. Data regarding the number of active libraries in each region was obtained from the Romanian National Statistics database.

Second, the variable *ArtL* is a double indicator for the active community participation in preserving intangible heritage as well as for the presence of creative heritage labour in the regions. It accounts for the share of registered traditional arts & crafts workers from total employment in the locality, and it covers traditional carpentry, woodcarving, pottery, painting and sewing as main practice fields. The measurement of intangible heritage has so far been neglected in empirical inquiries that tend to focus more on tangible assets, given that intangible heritage is often difficult to identify and capture in measurable terms (Melloni et al., 2020). In this sense, this study brings an innovative contribution to the assessment of cultural heritage by employing the arts & crafts variable alongside the UNESCO recognised intangible heritage already discussed, as a unique indicator for intangible heritage. A potential limitation posed by the use of this variable was that data was obtained from a current list made available by the Heritage Department of the Ministry of Culture, hence data could only be selected for the present year. However, considering that the practice of arts and crafts requires a lengthy process for specialization, it is likely that currently registered workers have been active in the field prior to officially registering their activity. Thus, it can be assumed that the available data provides a reasonably accurate indicator of each region's active cultivation of intangible heritage.

Considering cultural participation alongside cultural provision is crucial in gaining a more complete outlook since, both supply and demand account for socio-economic implications (Ray, 1998; Kloosterman, 2011). As such, the third heritage-related variable, *CP*, reflects

cultural participation at the local level, as an indicator for the vibrancy of the local heritage sector. The measure consists of the number of museum visits and active library readers having a library subscription per capita. A major limitation is that the *CP* variable is only a partial indicator for heritage consumption. Adding more indicators to the measure, such as visits to world heritage sites and historic monuments, or sales of traditional arts and crafts goods, would have provided a more accurate overview, however no data was found to account for these. Moreover, figures accounting separately for the locals' and external visitors' cultural consumption patterns could not be obtained. Disaggregated data distinguishing between residents and tourists would have provided more accurate insights into the individual effects of different aspects of the cultural heritage sector. Even though it is not a perfect measure, the *CP* variable may still be useful in partially identifying the local consumption trends and the overall attractiveness of local cultural heritage, in order to assess whether they contribute to the local socio-economic wellbeing. In this sense, the number of museum visitors is expected to account for both local heritage participation and the tourism potential of cultural heritage, provided that external visitors travelling from other regions are also included in the figure. Local library subscriptions, on the other hand, are expected to be representative of the local communities' cultural attitudes.

Data regarding the socio-economic variables was obtained from Eurostat and the National Institute of Statistics. All socio-economic variables employed in the analysis are consistent with methodological guidelines for researching wellbeing at the EU institutional level (OECD, 2011; Medgyesi et al., 2017). Furthermore, the choice of variables is based upon previous academic research on the effects of cultural heritage on socio-economic wellbeing (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015; Melloni et al., 2020). Also, the socio-economic variables were carefully chosen to reflect the specific socio-economic context of rural areas, following approaches found in other academic research undertaken in this field (Farrington & Farrington, 2005; Agarwal et al., 2009).

Hence, *GDPpc*, representing the local gross domestic product per capita, was employed as an indicator for local economic performance and as the economic dependent variable in the analysis. Two more economic variables were used as control factors for the cultural effects. First, as a major influence for rural economic performance (Agarwal et al., 2009), the variable *Enterprise* was chosen to capture the size of the local economy, and it represents the number of active private and public enterprises per capita. Second, the *AvW* variable reflects the average yearly personal income in the locality. It was chosen to account for the consumption potential of local communities, following previous CBD model empirical applications (Tubadji, 2012; Tubadji et al., 2015),

As for the social wellbeing indicators, the variable *HC* is the first dependent variable that was used to indicate the educational attainment of the local labour. Following the CBD approach to assessing the effects of culture on the formation of skilled human capital (Tubadji et al., 2015), the *HC* variable was constructed as the percentage of people in the total population aged 25-64 who hold a high school degree, divided by the total employment in the regions. Nonetheless, due to data availability limitations, the *HC* variable is only an approximation of the education levels of the local workforce. That is because data regarding the share of high school graduates among the 25-64 years old population category was not available at the county level. Hence, the *HC* variable was calculated by dividing the same percentage available for all predominantly rural regions by the total employment in each county. Data regarding the educational attainment of residents for all predominantly rural areas was obtained from the Eurostat rural development database and figures reflecting total employment in each county were sourced from the National Institute of Statistics. The *IHC* control variable reflects the local investment in human capital through access to education, to account for the regional investment in knowledge. Following academic examples for studying accessibility as a factor for social wellbeing in rural communities (Farrington & Farrington, 2005), the *IHC* variable was obtained by dividing the number of educational institutions by the total population in the regions. *M* is the second dependent social variable, and it reflects the migration trends in each locality. The migration variable was calculated following the standard model for obtaining net migration rates. Hence, it was obtained as a share of total out-flow migration from the total population registered mid-year in each region. Figures were only available for international migration, representing the number of rural residents moving abroad, thus internal migration from rural to urban settlements within the country could not be assessed. Nonetheless, considering the migration trends prevalent within Romania, where international migration accounts for most demographic movements in both rural and urban contexts (Horvath, 2008; Torok, 2014; Mindrican & Aceleanu, 2020), the indicator can be regarded as representative.

### **Empirical model**

The following model was used to test the three hypotheses stated above:

$$M_{i,t} = \beta_{11}AvW_{i,t} + \beta_{12}ArtL_{i,t} + e_1$$

$$HC_{i,t} = \beta_{21}M_{i,t} + \beta_{22}IHC_{i,t} + \beta_{23}CH_{i,t} + e_2$$

$$GDPpc_{i,t} = \beta_{31}HC_{i,t} + \beta_{32}Enterprise_{i,t} + CP_{i,t} e_3$$

where *i* indicates the locality and *t* the time period under investigation, *M* is the indicator for migration, *AvW* accounts for average personal income, *ArtL* indicates both the preservation of

intangible heritage and the presence of heritage creative labour, *HC* is the share of skilled individuals in the locality, *IHC* stands for investments in human capital, *CH* reflects the presence of tangible and intangible heritage, *GDPpc* indicates the local economic performance, *Enterprise* indicates the size of the local economy and *CP* represents local cultural participation.

The first equation in the system corresponds to the first hypothesis and it reflects the migration phenomena in the Romanian rural context as a function of the concentration of arts and crafts workers and economic incentives. The particular function of arts within the human capital attraction mechanism is considered here, as per previous academic findings on the positive correlations between arts, creativity and the appeal of highly creative regions (Florida, 2005; Tubadji, 2012; Tubadji et al., 2015). The study used the arts and crafts variable in the attempt to assess the particular role of heritage-related creative work as well as the significance of well-preserved intangible heritage in the retention of local human capital through its symbolic implications regarding identity and empowerment. The economic incentives, represented by annual average personal wages in each locality, are a widely discussed and empirically tested effect on migration (Findlay et al., 2000; Ortega & Peri, 2009; Lucas, 2004; Kennan & Walker, 2010; Czaika, 2015; Tubadji, 2012; Tubadji et al., 2015), and they were included to control for potentially significant effects besides the cultural variable.

The second equation indicates the formation of local human capital as explained by migration trends in the region, investments in human capital and cultural heritage. It follows the Weberian-inspired CBD model for the accumulation gear, where traditional values reflected in local heritage are a factor for the local human capital development trajectory. Further, it considers the role of migration in the formation of skilled human capital (Ottaviano & Peri, 2006; Tubadji, 2012; Tubadji et al., 2015). Investment in human capital was employed as a control variable, accounting for the standard economic theory on the formation of human capital, where investment in education is an important element.

The third equation was modeled considering the CBD interaction gear where the cultural dimension is added to the standard economic production function (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015; Tubadji et al., 2015). As such, local productivity is explained by the concentration of skilled human capital, the size of the local economy and the local cultural participation. The variable *Enterprise*, reflecting the local economic activity, was employed as the main control factor accounting for significant effects on rural productivity, as identified in academic literature (Agarwal et al., 2009). Cultural participation is the main explanatory variable of interest in this equation, and it was chosen to reflect that the presence of heritage has to be coupled with active participation in order to generate impact (Ray, 1998; Kloosterman, 2011).

Lastly, it should be noted that attempts were made to include a fourth equation to the empirical model to assess the social wellbeing dimension beyond migration trends and the formation of local human capital. More specifically, the study initially aimed to find approximate measures for elements reflecting life satisfaction and happiness, which are major factors for social wellbeing (Becker et al. 2005; Selezneva 2011) that seem to be, to a large extent, independent from economic aspects (Di Tella & MacCulloch, 2006). This was meant to provide a better distinction between the social and economic development dimensions than the one outlined in the current model, where migration and human capital are, to some extent linked with economic elements. However, attempts were eventually dropped due to difficulties in finding appropriate indicators and properly fitting available data into the model without causing results inconsistencies.

The model highlights the complex interdependencies between the social and economic dimensions for wellbeing. In this sense, the system of simultaneous equations makes evident the presence of several endogenous variables that act as both dependent and explanatory factors across different stages in the estimation. More specifically, the model illustrates that migration trends are significant in the formation of local human capital, and that human capital is an important factor for economic performance. In turn, migration is, in part, a function of economic incentives - average income - which is strongly related to local economic performance. Considering the outlined relationships between the two dimensions, this approach shows great potential for assessing both direct and indirect effects of cultural heritage.

As the estimation model is recursive in nature and contains several endogenous variables, the analysis was conducted using a three stage least squares regression method. As discussed, the dependent variables - *M*, *HC*, *GDPpc* - are all endogenous. The cultural explanatory variables - *ArtL*, *CH*, *CP* - and the socio-economic control factors - *AvW*, *IHC*, *Enterprise* - are all exogenous.

The model complies with the basic requirements for the three stage least squares analysis, by having more exogenous variables than endogenous ones, and having at least one unique exogenous variable in each equation in the system (Zellner & Theil, 1962).

## Results

### Descriptive statistics

The descriptive statistics for the dataset employed in the analysis are presented in the figure below (see Table 2) and the dataset is available upon request. All variables except for *GDPpc* and *AvW* are expressed as percentage shares, and they reflect positive values. The migration (*M*) variable is also positive, however, given that it indicates the share of out-flow migration from the total population in the localities, it has negative connotations for the local demographic structures. Hence, when interpreting the results, it is worth considering that the higher the values for the migration variable, the more significant the out-flow migration trend is.

**Table 2: Descriptive statistics of variables**

Variable	Obs	Mean	Std. Dev.	Min	Max
CH	27	.150846	.0661173	.0222196	.3910256
ArtL	27	.0000908	.000121	0	.0006301
CP	27	.5728442	.3758923	.1192674	1.478955
M	27	.0110575	.0013537	.0098456	.0145231
HC	27	.0201514	.0043171	.0116953	.0273241
IHC	27	.0003337	.0000383	.0002767	.0004337
GDPpc	27	24626.17	4576.734	17131.61	34826.37
AvW	27	25001.78	2161.019	22644	32196
Enterprise	27	.0188137	.0042966	.0100483	.0304585

### Pearson correlation test

A Pearson correlation test was conducted for a general overview of the relations between the different variables in the empirical model. The results can be found in the Appendix section (see Appendix B) Overall, the results show that the cultural indicators are correlated with the dependent socio-economic variables. Thus, the findings point towards the potential for cultural heritage to influence migration trends, the formation of skilled human capital and the local economic performance. In addition, the Pearson correlation test was conducted in order to account for potential collinearity issues. In this sense, the empirical model was adapted to avoid multicollinearity so as to enable higher confidence levels for the estimated coefficients. For this reason, the choice of control variables was slightly different from similar empirical approaches identified in the CBD model. In particular, the indicators for investments in human capital - the share of education and health workers from the total local employment - and the size of the local economy - total employment in each region - used in empirical applications of the CBD model

(Tubadji, 2012; Tubadji et al., 2015) generated collinearity issues when applied to the specific context of this study. Hence, these variables were replaced with alternative indicators, namely the number of schools and the number of active enterprises per capita, indicators which were identified in other empirical studies assessing determinants of rural economic performance (see Farrington & Farrington, 2005; Agarwal et al., 2009).

### Three stage least squares estimation

The three stage least square analysis was conducted to gain a deeper understanding of the relations between the cultural and socio-economic variables. The estimation results are presented below (see Table 3). The confidence level for assessing the statistical significance of estimated coefficients is 95%.

**Table 3: Three Stage Least Squares Regression**

Equation	Obs	Parms	RMSE	"R-sq"	F-Stat	P
<b>M</b>	<b>27</b>	<b>2</b>	<b>.0012607</b>	<b>0.1994</b>	<b>4.71</b>	<b>0.0120</b>
<b>HC</b>	<b>27</b>	<b>3</b>	<b>.0052977</b>	<b>-0.3322</b>	<b>4.73</b>	<b>0.0046</b>
<b>GDPpc</b>	<b>27</b>	<b>3</b>	<b>3259.12</b>	<b>0.5514</b>	<b>12.18</b>	<b>0.0000</b>

	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
<b>M</b>						
AvW	<b>-2.40e-07</b>	<b>9.11e-08</b>	<b>-2.64</b>	<b>0.010</b>	<b>-4.22e-07</b>	<b>-5.85e-08</b>
ArtL	<b>-3.441822</b>	<b>1.663396</b>	<b>-2.07</b>	<b>0.042</b>	<b>-6.759362</b>	<b>-.1242827</b>
_cons	<b>.017377</b>	<b>.002325</b>	<b>7.47</b>	<b>0.000</b>	<b>.01274</b>	<b>.0220141</b>
<b>HC</b>						
M	<b>-2.067926</b>	<b>.9387322</b>	<b>-2.20</b>	<b>0.031</b>	<b>-3.940168</b>	<b>-.1956834</b>
IHC	<b>45.26234</b>	<b>18.70776</b>	<b>2.42</b>	<b>0.018</b>	<b>7.950881</b>	<b>82.57379</b>
CH	<b>.0229718</b>	<b>.0101342</b>	<b>2.27</b>	<b>0.026</b>	<b>.0027597</b>	<b>.0431839</b>
_cons	<b>.0244468</b>	<b>.0099813</b>	<b>2.45</b>	<b>0.017</b>	<b>.0045397</b>	<b>.0443538</b>
<b>GDPpc</b>						
HC	<b>490512.4</b>	<b>247977.4</b>	<b>1.98</b>	<b>0.052</b>	<b>-4062.882</b>	<b>985087.7</b>
Enterprise	<b>608671.4</b>	<b>140177</b>	<b>4.34</b>	<b>0.000</b>	<b>329097.2</b>	<b>888245.6</b>
CP	<b>3261.748</b>	<b>1589.885</b>	<b>2.05</b>	<b>0.044</b>	<b>90.82226</b>	<b>6432.675</b>
_cons	<b>1421.821</b>	<b>5761.521</b>	<b>0.25</b>	<b>0.806</b>	<b>-10069.17</b>	<b>12912.81</b>

Endogenous variables: M HC GDPpc

Exogenous variables: AvW ArtL IHC CH Enterprise CP

Significance: \*\*\*p<0.001, \*\*p<0.01, \*p<0.05

The first regression in the three simultaneous equations system, explaining out-flow migration ( $M$ ) as a function of average yearly personal income ( $AvW$ ) and the concentration of arts and crafts workers ( $ArtL$ ) in the regions under study, is significant with at least one the estimated coefficients statistically different from 0,  $F = 4.71$ ,  $p < 0.05$ . The regression model turned out useful for establishing a relation between migration trends in rural Romania and the above mentioned cultural and economic indicators, however, the model's explanatory power is relatively weak, since only about 20% of the out-flow migration can be explained in terms of average wages and heritage-related creative labour ( $R\text{-sq} = 0.1994$ ). Both explanatory variables display a significant correlation with the dependent migration ( $M$ ) variable. Still, the income indicator ( $AvW$ ),  $\beta = -2.40$ ,  $t = -2.64$ ,  $p < 0.05$ , is more weakly correlated than the arts and crafts labour variable ( $ArtL$ ),  $\beta = -3.44$ ,  $t = -2.08$ ,  $p < 0.05$ . Holding everything else constant, the effect of the average income of migration is such that for an increase of 10,000 RON (i.e. national currency) in the yearly average personal income would lead to a decrease in out-flow migration by 0.24 percentage points. The effect of the local concentration of arts and crafts workers is such that an increase of 1 percentage point in the proportion of arts workers would trigger a fall of 3.4% respectively in out-flow migration. So, while the statistical significance of the estimated coefficient for the  $ArtL$  indicator is weaker than for  $AvW$ , its effect on the value of net out-flow migration is significantly larger.

The second regression model which considers the share of skilled human capital out of the total local employment ( $HC$ ) as the dependent variable and the out-flow migration rates ( $M$ ), investment in human capital ( $IHC$ ) and the local presence of tangible and intangible cultural heritage ( $CH$ ) as independent variables, is also statistically significant with at least one estimated coefficient different from 0,  $F = 4.73$ ,  $p < 0.01$ . All explanatory variables are correlated with the formation of human capital as follows: migration ( $M$ ),  $\beta = -2.06$ ,  $t = -2.20$ ,  $p = 0.05$ , investment in human capital ( $IHC$ ),  $\beta = 45.26$ ,  $t = 2.40$ ,  $p < 0.05$  and cultural heritage ( $CH$ ),  $\beta = 0.02$ ,  $t = 2.27$ ,  $p < 0.05$ . As such, according to the estimated model, each percentage point decrease in emigration rates is expected to lead to a 2% increase in the concentration of skilled human capital. Similarly, increasing the concentration of educational institutions by one percentage point is expected to lead to a 45% increase in the number of skilled labour. While statistically significant, the weakest association can be identified between human capital and the cultural heritage explanatory variable. The estimated coefficient indicates that an increase in the concentration of cultural heritage sites per square kilometre is only expected to contribute 0.0228 percentage points to the educational attainment of the local workforce.

The third and final regression in the system, which estimates the relationship between local economic performance ( $GDPpc$ ) as the dependent variables and the share of skilled human

capital from the total local employment (*HC*), the number of active private and public enterprises in the localities (*Enterprise*) and the local participation rate in heritage-consumption (*CP*) as the independent variables, confirms the correlation between the dependent and all the explanatory variables,  $F = 12.18$ ,  $p < 0.01$ . This function is the most statistically significant of the three estimations, having the highest predictive power. Thus, the regression model is useful for explaining the local productivity in rural Romania based on the joint effects of skilled human capital concentration, the size of the local economy and cultural consumption, the aforementioned factors accounting for a proportion of 55% in the total observed variation in *GDPpc* at county level ( $R\text{-sq} = 0.5514$ ). The strongest association is identified for the number of local enterprises (*Enterprise*),  $\beta = 608671$ ,  $t = 4.34$ ,  $p < 0.01$ . while the weakest correlation is for cultural consumption (*CP*),  $\beta = 3261$ ,  $t = 2.05$ ,  $p < 0.05$ . The concentration of skilled labour (*HC*) is also significant,  $\beta = 490512$ ,  $t = 1.98$ ,  $p < 0.05$ . Here, one percentage point increase in the concentration of local enterprises is expected to contribute an average of 6,086 RON to the GDP per capita, hence determining an approximate 24% increase in local economic performance. Similarly, an addition of around 4,905 RON, meaning a 20% increase, can be predicted from a 1% increase in the concentration of skilled employment. The increase in cultural consumption, on the other hand, is only expected to contribute 32.61 RON, which is about 0.1%, to the local economic productivity.

### **Discussion of results**

The empirical estimation resulted in overall satisfactory outcomes, confirming the hypotheses developed for this study and providing additional insights and directions for future explorations of the socio-economic effects of cultural heritage both in the Romanian rural context and beyond.

The first hypothesis maintaining that cultural heritage contributes to the retention of local human capital in rural areas has been confirmed in the analysis, since the concentration of arts and crafts workers in the regions was found to be statistically significant in explaining local migration trends. Hence, the results suggest that creative work associated with cultural heritage can be a potentially useful asset in addressing the depopulation trends in rural Romania, where, for 2015, net migration rates were negative, suggesting that emigration (out-flow migration) was considerably higher than immigration (in-flow migration) in all regions under analysis. In general, findings are consistent with previous empirical applications of the CBD model exploring the effects of creative labour in attracting external migration (Tubadji, 2012; Tubadji et al., 2015) and they confirm the presence of this effect in the rural context under consideration. Moreover, in line with theoretical and empirical arguments relating to the migration phenomena (Findlay et

al., 2000; Lucas, 2004; Ortega & Perri, 2009; Kennan & Walker, 2010; Czaika, 2015), economic incentives were also found to be significant, confirming that emigration is also highly influenced by low economic performance in rural Romania (Horvath, 2008; Torok, 2014; Mîndrican & Aceleanu, 2020). This outcome may hold valuable implications as far as the importance of heritage-related creative workers in rural landscapes is concerned. First, the presence of traditional arts and crafts workers may indicate the existence of a creative labour market in the regions, implying potential economic opportunities for fellow creative workers and for the ones willing to engage in the commercialization of arts and crafts. Second, on the assumptions that cultural heritage is a major source of local creativity (Cerisola, 2019) and that creativity in a locality is associated with innovation (Florida, 2005), the active preservation of intangible heritage may be effective in preventing creative and skilled human capital from leaving by acting as a motivator and inspiration for organic economic development. Then, arts and crafts workers could potentially be seen as drivers for demographic revitalization, by acting as indicators for local economic development opportunities. Beyond the economic implications, the heritage function in establishing and enhancing local identities can also be considered here. In this sense, arts and crafts workers, as a symbol of the active community cultivation of traditional values, may also be significant for reinforcing local identities and facilitating the empowerment and cohesion of local communities. In fact, this may suggest that the active preservation of local heritage can contribute to the social wellbeing of rural communities in Romania. This reasoning is consistent with empirical findings from Vega, Norway, revealing that local rural communities perceive their heritage as an element for human capital retention (Kaltenborn et al, 2013).

The relevance of traditional values in shaping the local human capital is reinforced by the results of the second equation of the empirical model, which confirms that cultural heritage is statistically significant in the determination of educational levels in the localities. Thus, the second hypothesis is also confirmed by the empirical analysis undertaken. The results support the Weberian (1904) approach to the formation of local human capital. In this sense, the positive relation between cultural heritage and the formation of human capital may suggest that cultural heritage, as an indicator for traditional values inherited from the past, is embedded in the local identity and consciousness of Romanian rural communities, influencing their development trajectories. Therefore, cultural heritage was found to contribute to the development of local human capital through its educational values. This may imply that larger concentrations of heritage assets, hence more opportunities for local cultural participation, can potentially contribute to the wellbeing of Romanian local rural communities as motivators for their educational choices. In addition, similar to the migration function, creativity might also act as an explanation for the significant correlation between cultural heritage and the accumulation of knowledge and skills. As drivers for creativity, tangible and intangible heritage assets could

potentially motivate local human capital to be more innovation-oriented and to seek more development opportunities in this direction. The retention of local human capital was also confirmed as a positive factor for the accumulation of skilled human capital in the localities. In fact, this result was expected considering the socio-economic conditions of the Romanian rural context, where skilled human capital is most likely to emigrate due to reduced economic activity in rural regions. For this reason, with lower numbers of out-flow migration, larger concentrations of skilled human capital are expected. Here, the creative potential of cultural heritage discussed in relation to the first hypothesis and its influence on the formation of human capital is also indirectly inferred. This reinforces the creative potential of cultural heritage and expands on its socio-economic implications, since creativity is found to be relevant in both the retention and formation of skilled human capital.

The third hypothesis concerning the economic implications of cultural heritage was also confirmed by the estimated model and results point towards both direct and indirect effects on local economic performance. As far as direct effects are concerned, heritage-related cultural participation was found to positively influence the local GDP. In this sense, considering previous academic evidence of the economic effects of cultural heritage (Turnock, 2002; Rausch, 2010; Jimura, 2011; Anderson, 2015; Matei, 2015; Buş et al., 2017; Chen et al., 2021) the results can be interpreted both in terms of the commercial significance of heritage assets and cultural tourism. As such, when considering extra-local cultural participation, the results show relatively high potential for tourists in-flows to have a positive influence on GDP by consuming local goods and accessing local services. Similarly, when the cultural participation patterns of local communities are also considered, findings may point towards the commercial value of heritage assets. Hence, the positive correlation between cultural participation and the local GDP may suggest that economic activities around cultural heritage can result in sustainable gains for the local communities. Nonetheless, the findings of this study do not provide sufficient evidence for assessing which of the aforementioned arguments is most relevant to the Romanian rural context. That is to say, it is difficult to conclude whether cultural tourism or the commercialization of heritage assets account for the majority of economic effects. Still, results are indicative of the overall economic potential of cultural heritage. Lastly, indirect effects can be identified in the positive correlation between the concentration of skilled human capital and the local economic performance. Here, the Weberian (1904) assumption that cultural heritage determines local development trajectories is reinforced alongside the creative function (Cerisola, 2019) of heritage assets.

In summary, all hypotheses were confirmed by the empirical model and as discussed, the results are consistent with previous academic research, confirming the socio-economic implications of cultural heritage. Still, it is important to mention that the analysis outlines rather

weak relations between the socio-economic dependent variables and the cultural explanatory ones. The low correlation coefficients between the socio-economic and the cultural variables can be explained by the underlying local conditions which pose challenges for heritage-led development, challenges that were also outlined in the theoretical chapter of this paper.

First, it was discussed that the Romanian rural regions face multiple challenges in preserving their tangible and intangible cultural heritage. More specifically, the majority of heritage preservation initiatives are directed towards popular tourist destinations, neglecting a big proportion of rural areas (Stan, 2017). Adding to this, the untrustworthiness of local public institutions and the decreasing interest of the rural youth population in preserving traditional assets contribute to highly unfavourable conditions for valorising local cultural heritage (Rusu & Florian, 2003; Holostencu, 2018). Hence, it is not surprising that the lowest coefficient was identified for the relation between cultural heritage and the formation of local human capital, considering the local attitudes and perceptions towards the value of cultural assets. Similarly, cultural consumption was identified as having relatively low effects on the local GDP, provided that, despite its rich presence, much of the local heritage is not well-preserved and exploited for its commercial potential.

Second, the poor transport and services infrastructure specific to the Romanian rural context (Mateoc-Sîrb et al., 2010; Popescu, 2013) might provide an additional explanation for the low correlation coefficient between cultural participation, with specific reference to museum visits, and local GDP as far as tourism is considered. That is to say, reduced access to rural areas is expected to result in less added value to the local economy reflected in lower tourists in-flows, hence less visits to heritage sites and lower consumption of cultural and tourism-related goods and services.

Still, the estimated relationship between migration and the local concentration of arts and crafts workers points towards a potential approach to changing local attitudes with regards to heritage preservation and thus overcoming at least partially the first challenge to culture based rural development discussed above. The estimated equation shows that, despite the generally low concentration of arts and crafts workers across all regions under study, which again points at the not so favourable local attitudes towards cultural heritage, arts and crafts labour density has the largest statistically significant coefficient among the cultural heritage and cultural participation variables. Hence, the relation between migration and arts and crafts labour suggests that, where community participation in preserving cultural heritage is evident, higher cultural impacts are expected. In this sense, arts and crafts labour shows potential for revealing the socio-economic value of cultural heritage through local practical examples and through encouraging community interaction based on local heritage assets.

## **Conclusion**

This study looked at the potential for cultural heritage to facilitate socio-economic development in Romanian rural regions. More specifically, it was an attempt to examine the extent to which cultural heritage can contribute to addressing common issues for Romanian rural regions, namely the large out-flow migration rates, the low number of qualified human capital and the underdeveloped economic landscape. The research fits into wider academic discussions regarding the multiple socio-economic implications of culture and it follows in the footsteps of a relatively recent approach to studying the specific effects of cultural heritage on regional development. In this sense, the study is based on assumptions concerning the wider socio-economic implication of culture in terms of human capital formation, individual attitudes and behaviours, social cohesion, local identities and community empowerment, creativity, cultural tourism and the economic value of the cultural sector (Anderson et al, 2003; Bushman & Huesmann, 2006; Herrero et al., 2006; Brown, 2006; Anderson et al, 2010; Greitemeyer, 2011; Belfiore, 2015; Hadida, 2015; Anttonen et al, 2016; Azmat et al., 2018; Gomes & Librero-Cano, 2018; Windle et al., 2018; Vermeulen et al, 2019; Belfiore, 2020; Ateca-Amestoy & Casalini, 2021). In addition, the approach to studying culture in relation to socio-economic development in the rural context is grounded in academic discussions on the particular role of cultural heritage within the socio-economic impact mechanism (Lin, 2001; Walker et al., 2003; Agarwal et al., 2009; Rausch, 2010; Jimura, 2011; Ashworth, 2013; Kaltenborn et al, 2013; Gorchach et al., 2014; Winter, 2015; Cerisola, 2019; Gallou & Fouseki, 2019; Nared & Bole, 2020; Chen et al., 2021).

To summarize, the study results maintain that cultural heritage can be an explanatory element in the human capital formation process, in terms of reducing out-flow migration trends and contributing to the local accumulation of knowledge and skills. For rural Romanian regions, this means that cultural heritage could be valorised as a local resource in addressing demographic issues concerning depopulation trends and the reduced number of skilled workers. Moreover, the economic value of cultural heritage was also confirmed for the Romanian context, as findings show the potential for heritage-related activities and consumption to generate economic growth. Hence, there might be opportunities for cultural tourism and the commercialization of traditional arts and crafts to revitalize the rural economy in Romania so as to compensate for the decline in the agricultural sector. Beyond the material implications, the findings also indicate the potential for cultural heritage to act as an empowering and identity-enforcing element in rural Romania. This assumption is supported by the results pointing at the significance of arts and crafts workers in the retention of local human capital, and it is enforced by previous academic findings on the symbolic values of cultural heritage with regards to the formation and maintenance of local identities (Kaltenborn et al., 2013). Considering the endogeneity of the social and economic development dimensions, the results make it evident that

economic growth requires, in large part, the presence of skilled human capital as a main driver for innovation and change. In turn, the retention of skilled human capital highly depends on the local economic context, whether it is sufficiently developed or whether there are sufficient opportunities for development. Cultural heritage - tangible and intangible - was found to be significant in this development cycle, both directly, through its economic potential, and indirectly, by contributing to the attraction and local formation of skilled and innovative human capital, capable of driving change. In general terms, these findings are consistent with the empirical applications of the CBD model demonstrating the interdependencies between the social and economic development dimensions and the central role of cultural heritage within the impact mechanism (Tubadji, 2012, 2013; Tubadji & Nijkamp, 2014, 2015a, 2015b; Tubadji & Pelzel, 2015, Tubadji et al., 2015). Then, the results also reinforce assumptions regarding the role of the “creative class” and that of the Bohemians - artists - in attracting migration and fostering local innovation through cultural diversity (Florida, 2005; Ottaviano & Peri, 2006). In addition, results point towards the creative function of cultural heritage, as an indirect determinant of economic growth (Cerisola, 2019).

Overall, the findings indicate the potential for cultural heritage to influence socio-economic rural development in Romania. However, when considering the rather low correlation coefficients obtained between the cultural heritage indicators and the socio-economic development dimensions, this potential does not seem to be fully valued and exploited at the local level. Hence, while the ability of cultural heritage to facilitate socio-economic rural development in Romania exists, there are several challenges preventing cultural heritage from having a significant impact. These challenges are mainly reflected in the functioning of public institutions and their collaboration with the community and the economic sector, the local infrastructure and the local attitudes towards the preservation of heritage (Rusu & Florian, 2003; Mateoc-Sîrb et al., 2010; Popescu, 2013; Mikulcak et al., 2015; Stan, 2017; Holostencu, 2018). In this sense, it could be argued that there is a need for fundamental changes in the socio-political local structures and attitudes of Romanian rural communities so that significant socio-economic effects through cultural heritage can be achieved. First, to enhance the potential for heritage-led development, public, private institutions and the civil society should work on improving their collaboration. Only then they could join forces in elaborating and implementing successful cultural heritage preservation and culture based development strategies at the local levels. Second, local communities should be educated on the wider socio-economic benefits of cultural heritage and encouraged to actively engage in the promotion and preservation of local heritage assets. Judging from the results of the analysis, encouraging and promoting the practice of traditional arts and crafts seems to be a useful approach in this sense, as the percentage of arts workers in a locality was identified to have a significant impact on the attraction and retention of

skilled labour. Third, more local and national investments in the rural infrastructure might be necessary in order to enable better access to rural areas, so that cultural tourism can develop.

### **Limitations and future research**

Overall, the research findings and their underlying assumptions are useful in providing a basis for confirming the socio-economic implications of cultural heritage and assessing the extent to which cultural effects contribute to rural development in Romania. However, it is important to note that this empirical analysis is by no means sufficient in inferring a causal relation between the cultural variables and the socio-economic development dimensions. In this sense, a longitudinal design coupled with more complex statistical methods can provide a more accurate view on the type and strength of the relations between cultural heritage and the socio-economic variables.

Moreover, the data availability limitations discussed in the methodology chapter might pose some challenges to the accuracy of the results and the assessment of their underlying implications. In particular, the measure for the concentration of skilled employment - *HC* - does not perfectly reflect the variations between each region regarding the educational attainment of the workforce. Hence, the accuracy of the obtained association between cultural heritage and the formation of skilled human capital could be questioned. Similarly, the variable indicating local cultural participation - *CP* - accounts for a very limited spectrum of cultural consumption and it does not distinguish between local and extra-local consumption patterns. For this reason, it is difficult to identify which of the specific aspects of heritage-related consumption - cultural tourism or local cultural participation - accounts for more significant economic effects. Considering the wider academic context with regards to the economic values of cultural heritage and the peculiarities of the Romanian rural communities, where heritage resources are often not valued by locals, it can be assumed that most effects are related to cultural tourism, hence the tourists' contribution to the local GDP. Nonetheless, more evidence is required to reach an informed conclusion. Future research in this direction could use disaggregated data to distinguish cultural participation associated with tourism from the cultural consumption of local communities and analyse their respective effects.

Moreover, it should be noted that this research is successful in accounting for the interdependencies between different aspects of the social dimensions as well as the interaction between the social and the economic implications of cultural heritage. More specifically, the results show that, by influencing migration trends, cultural heritage generates indirect impacts on the formation of skilled human capital, and by influencing the knowledge accumulation processes, it contributes to the local economic growth. However, the analysis neglects the relation between different values belonging to the economic dimension. More specifically, it

does not manage to map out the interdependencies between cultural tourism and the commercial potential of heritage goods, so as to assess how and to what extent tourists in-flows contribute to the local increase of cultural goods and services consumption, and hence to the performance of the local cultural sectors. Future research attempts could cover this aspect for a more accurate outlook on the way the socio-economic impact mechanism of cultural heritage is constructed in practice.

Also due to data unavailability, the social wellbeing dimension was not assessed beyond migration and the accumulation of skills and knowledge at the local level. Furthermore, effects on the social dimensions were mostly translated in economic terms. That is to say, when considering migration, arts and crafts workers were mainly assumed as indicators for innovation and economic development opportunities. The effects of cultural heritage on the formation of skilled human capital were also indirectly linked to economic growth given that skilled labour was found significant for local economic performance. Some mentions of the role of cultural heritage in empowering rural communities and enhancing local identities have been made to account for potential social implications of the results. Still, more detailed investigations of how identities are constructed and asserted within rural communities in Romania are necessary in order to confirm such assumptions. In this sense, future research attempts could employ alternative measures to capture happiness levels, overall life satisfaction or the quality of social interactions within the rural context to obtain more accurate insights into the social implications of cultural heritage. To examine the identity-enhancing function of cultural heritage, measures such as the sense of belonging to local communities of rural populations might be appropriate.

Lastly, considering assumptions regarding the creative function of cultural heritage, more focused research in this direction might result in interesting findings. For instance, a potential approach could be to study the relation between cultural heritage and the local entrepreneurial orientation.

## References

- Agarwal, S., Rahman, S., & Errington, A. (2009). Measuring the determinants of relative economic performance of rural areas. *Journal of Rural Studies*, 25(3), 309–321. <https://doi.org/10.1016/j.jrurstud.2009.02.003>
- Albertone, G., Allen, S. & Redpath, A. (2019). *Methodological manual of territorial typologies: 2018 edition*. Eurostat. <https://ec.europa.eu/eurostat/documents/3859598/9507230/KS-GQ-18-008-EN-N.pdf/a275fd66-b56b-4ace-8666-f39754ede66b?t=1573550953000>
- Anderson, J. R. (2003). Risk in rural development: challenges for managers and policy makers. *Agricultural Systems*, 75(2), 161–197. [https://doi.org/10.1016/S0308-521X\(02\)00064-1](https://doi.org/10.1016/S0308-521X(02)00064-1)
- Anderson, W. (2015). Cultural tourism and poverty alleviation in rural Kilimanjaro, Tanzania. *Journal of Tourism and Cultural Change*, 13( 3), 208–208.
- Anderson, C. A., Carnagey, N. L., & Eubanks, J. (2003). Exposure to violent media: the effects of songs with violent lyrics on aggressive thoughts and feelings. *Journal of Personality and Social Psychology*, 84(5), 960–971. <https://doi.org/10.1037/0022-3514.84.5.960>
- Anderson, C. A., Shibuya, A., Ihori, N., Swing, E. L., Bushman, B. J., Sakamoto, A. & Saleem, M. (2010). Violent video game effects on aggression, empathy, and prosocial behavior in eastern and western countries: a meta-analytic review. *Psychological Bulletin*, 136(2), 151–151. <https://doi.org/10.1037/a0018251>
- Anttonen, R., Ateca-Amestoy, V., Holopainen, K., Johansson, T., Jyrämä, A., Karkkunen, A., Prikk, K., Kuznetsova-Bodanovič, K., Luonila, M., Kölar, J., Plaza, B., Pulk, K., Pusa, T., Ranczakowska-Ljutjuk, A., Sassi, M., Stiller, I. & Äyväri, A. (2016). *Managing art projects with societal impact: study book for students, stakeholders and researchers*. Unigrafia. <http://urn.fi/URN:NBN:fi-fe2016052412720>
- Ashworth, G. J. (2013). Heritage and local development: A reluctant relationship. In I. Rizzo & A. Mignosa (Eds.). (2013) *Handbook on the economics of cultural heritage* (pp. 367-385). Edward Elgar.
- Ateca-Amestoy, V. & Casalini, F. (2021). Economic impact and the arts: The mistake of narrow thinking. In M. Addis & A. Rurale (Eds.). (2021) *Managing the Cultural Business: Avoiding Mistakes, Finding Success* (pp. 347-386). Routledge.
- Atkinson, W. (2019). *Bourdieu and After: A Guide to Relational Phenomenology*. Taylor and Francis.
- Azmat, F., Ferdous, A., Rentschler, R. & Winston, E. (2018). Arts-based initiatives in museums: Creating value for sustainable development. *Journal of Business Research*, 85, 386-395 <https://doi.org/10.1016/j.jbusres.2017.10.016>
- Baumol, W.J. (2011). Application of welfare economics. In R. Towse (Ed.). *A Handbook of Cultural Economics* (pp. 8-19). Edward Elgar.

- Becker, G. S., Philipson, T. J., & Soares, R. R. (2005). The quantity and quality of life and the evolution of world inequality. *The American Economic Review*, 95(1), 277–291.
- Belfiore, E. (2015). "Impact", "Value" and "Bad economics": Making sense of the problem of value in the arts and humanities. *Arts and Humanities in Higher Education: An International Journal of Theory, Research and Practice*, 14(1), 95–110.
- Belfiore, E. (2020). Whose cultural value? Representation, power and creative industries. *International Journal of Cultural Policy*, 26(3), 383–397.  
<https://doi.org/10.1080/10286632.2018.1495713>
- Bell, C. (1987). *Art. The classic manifesto on art, society and aesthetics*. Oxford University Press.
- Boltanski, L., & Thevenot, L. (2006). *On justification: Economies of worth*. Princeton University Press.
- Bourdieu, P. (1977). *Outline of a Theory of Practice*. Cambridge University Press.
- Bourdieu, P. (1984). *Distinction: A Social Critique of the Judgement of Taste*. Routledge
- Bourdieu, P. (1986), "The forms of capital", in Richardson, J. (Ed.). (1986). *Handbook of Theory and Research for the Sociology of Culture* (pp. 241-258). Greenwood.
- Bourriaud, N. (2002). *Relational Aesthetics*. Les presses du réel.
- Brown, A. S. (2006). An architecture of value. *GIA Reader*, 17(1), 18–25.
- Bruja, C. & Bruja, V. (2014). Sustainable development of rural areas: a challenge for Romania. *Environmental Engineering and Management Journal*, 13(8), 1861-1871
- Bushman, B. J., & Huesmann, L. R. (2006). Short-term and long-term effects of violent media on aggression in children and adults. *Archives of Pediatrics & Adolescent Medicine*, 160(4), 348–52.
- Burlacu, F. (2019). Developing rural areas in Romania with the help of cultural tourism. *Multidisciplinary Research Journal*, 11(2), 186-197.
- Buş, R. M., Lung, M. S. & Colcer, A. M. (2017). Traditional crafts and folklore as a means of economic development in the land of Călata. *Territorial Identity and Development*, 2(1), 64–77. <https://doi.org/10.23740/TID120175>
- Cavaye, J. (2001). Rural community development - new challenges and enduring dilemmas. *Journal of Regional Analytics and Policy*, 31(2), 109-124.
- Cerisola, S. (2019). A new perspective on the cultural heritage–development nexus: the role of creativity. *Journal of Cultural Economics*, 43(1), 21–56. <https://doi.org/10.1007/s10824-018-9328-2>
- Chen, Z., Ren, X., & Zhang, Z. (2021). Cultural heritage as rural economic development: batik production amongst China's Miao population. *Journal of Rural Studies*, 81, 182–193.  
<https://doi.org/10.1016/j.jrurstud.2020.10.024>

- Ciucea, A., Pisciă, S., Gheorghe, F., Sinigaglia, S. C., Pintilia, L., Mali, C., Ioniță, A. C., Bălțeanu, L., Cambir, A., Alexevici, N., Dima, I., Cîrstea, F., Ghilencea, L. & Ștefănescu, D. (2018). *România în cifre: breviar statistic*. Institutul Național de Statistică. [https://insse.ro/cms/files/publicatii/Romania\\_in\\_cifre\\_breviar\\_statistic\\_2018.pdf](https://insse.ro/cms/files/publicatii/Romania_in_cifre_breviar_statistic_2018.pdf)
- Constantin, D. L., & Mitruț, C. (2009). Tourism, cultural resources and regional competitiveness: a case study in Romania. *International Journal of Services Technology and Management*, 10( 1), 48–60.
- Croce, B. (1992). *The aesthetic as the science of expression and of the linguistic in general*. Cambridge University Press
- Collingwood, R. G. (1976). *Principles of art*. Oxford University Press.
- Czaika, M. (2015). Migration and economic prospects. *Journal of Ethnic and Migration Studies*, 41(1), 58–82. <https://doi.org/10.1080/1369183X.2014.924848>
- Dekker, E. (2015). Two approaches to study the value of art and culture, and the emergence of a third. *Journal of Cultural Economics*, 39(4), 309–326. <https://doi.org/10.1007/s10824-014-9237-y>
- De Rosa, D. & Kim, Y.S. (2018, June 5). Romania: thriving cities, rural poverty and a trust deficit. *Bookings*. <https://www.brookings.edu/blog/future-development/2018/06/05/romania-thriving-cities-rural-poverty-and-a-trust-deficit/>
- Di Tella, R., & MacCulloch, R. (2006). Some uses of happiness data in economics. *Journal of Economic Perspectives*, 20(1), 25–46.
- Duxbury, N. & Campbell, H. (2011). Developing and Revitalizing Rural Communities through Arts and Culture. *Small Cities Imprint*, 3(10), 111-122
- Eagleton, T. (1981). *Walter Benjamin, or Towards a Revolutionary Criticism*. New Left Books.
- Eurostat (2021). *Rural Development* (Eurostat urt\_edat\_lfse4). [Data Set]. [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=urt\\_edat\\_lfse4&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=urt_edat_lfse4&lang=en)
- Farrington, J., & Farrington, C. (2005). Rural accessibility, social inclusion and social justice: towards conceptualisation. *Journal of Transport Geography*, 13(1), 1–12. <https://doi.org/10.1016/j.jtrangeo.2004.10.002>
- Findlay, A. M., Short, D. & Stockdale, A. (2000). The labour-market impact of migration to rural areas. *Applied Geography*, 20(4), 333–348. [https://doi.org/10.1016/S0143-6228\(00\)00012-6](https://doi.org/10.1016/S0143-6228(00)00012-6)
- Fuller, P. (1980). *Art and Psychoanalysis*. Writers and Readers Publishing Co-operative.
- Florida, R. (2005). *The Flight of the Creative Class: The New Global Competition for Talent*. Harper Collins
- Frey, B. S. (2003). *Arts & economics: analysis and cultural policy*. (2nd ed.). Springer
- Fry, R. (1957). *Vision and design*. Chatto and Windus.

- Gadamer, H. (1975). *Truth and Method*. Sheed & Ward.
- Gallou, E., & Fouseki, K. (2019). Applying social impact assessment (SIA) principles in assessing contribution of cultural heritage to social sustainability in rural landscapes. *Journal of Cultural Heritage Management and Sustainable Development*, 9(3), 352–375. <https://doi.org/10.1108/JCHMSD-05-2018-0037>
- Gardner, B. L. (2005). Causes of rural economic development. *Agricultural Economics*, 32,(1), 21–41.
- Gherasim, D., & Gherasim, A. (2017). Rural tourism in Romania. *Economy Transdisciplinarity Cognition*, 20(1), 72–78.
- Gorlach, K., Klekotko, M., & Nowak, P. (2014). Culture and rural development: voices from Poland. *Eastern European Countryside*, 20( 1), 5–26. <https://doi.org/10.2478/eec-2014-0001>
- Gombrich, E. H. (1975). *Art History and the Social Sciences*. OUP
- Gomes, P., & Librero-Cano, A. (2018). Evaluating three decades of the European Capital of Culture programme: a difference-in-differences approach. *Journal of Cultural Economics*, 42(1), 57–73. <https://doi.org/10.1007/s10824-016-9281-x>
- Greitemeyer, T. (2011). Exposure to music with prosocial lyrics reduces aggression: First evidence and test of the underlying mechanism. *Journal of Experimental Social Psychology*, 47(1), 28–36. <https://doi.org/10.1016/j.jesp.2010.08.005>
- Guccio, C., Lisi, D., Mignosa, A., & Rizzo, I. (2018). Does cultural heritage monetary value have an impact on visits? An assessment using official Italian data. *Tourism Economics*, 24(3), 297–318. <https://doi.org/10.1177/1354816618758729>
- Hauser, A. (1968). *The Social History of Art* (2nd ed.). Routledge.
- Hauser, A. (1999). *The social history of art: Naturalism, impressionism, the film age*. (4th ed.). Routledge.
- Hadida, A. (2015). Performance in the creative industries in C. Jones, M. Lorenzen & J. Sapsed (Eds.). (2015). *The Oxford handbook of creative industries* (pp. 219-248). Oxford University Press
- Hanslick, E. (1974). *The beautiful in music; a contribution to the revisal of musical aesthetics*. Da Capo Press.
- Herrero, L. C., Sanz, J. A., Devesa, M., Bedate, A. & José del Barrio, M. (2006). The economic impact of cultural events: a case-study of Salamanca 2002, European capital of culture. *European Urban and Regional Studies*, 13(1), 41–57. <https://doi.org/10.1177/0969776406058946>

- Holostencu, L. F. (2018). The economic potential of cultural heritage in the rural society of Romania: the case of North Dobrudja. *The Tourism Journal for Research, Education, Culture and Soul*, 17(2), 1-11
- Horváth, I. (2008). The culture of migration of rural Romanian youth. *Journal of Ethnic and Migration Studies*, 34(5), 771–786. <https://doi.org/10.1080/13691830802106036>
- Hosagrahar, J. (2017, April-June). Culture: at the heart of SDGs. *The UNESCO Courier*. <https://en.unesco.org/courier/april-june-2017/culture-heart-sdgs>
- Huggins, R., & Thompson, P. (2019). The behavioural foundations of urban and regional development: culture, psychology and agency. *Journal of Economic Geography*, 19(1), 121–146. <https://doi.org/10.1093/jeg/lbx040>
- Ignat, R., Stoian, M., & Roșca V. (2014). Socio-economic aspects of rural Romania. *Procedia Economics and Finance*, 15, 1331–1338. [https://doi.org/10.1016/S2212-5671\(14\)00596-6](https://doi.org/10.1016/S2212-5671(14)00596-6)
- Institutul Național al Patrimoniului (2015). *Lista monumentelor istorice 2015*. Ministerul Culturii. <https://patrimoniu.ro/images/lmi-2015/lista-monumentelor-istorice-2015.pdf>
- Institutul Național al Patrimoniului (2021). Repertoriul Meșteșugurilor Artistice Tradiționale. *UpToDate*. Retrieved May 2, 2021. <https://repertoriulmesterilor.patrimoniu.ro/mestesuguri-artistice/>
- INS (2015). *Edemos* (Institutul Național de Statistică). [Data Set]. Institutul Național de Statistică. [http://edemos.insse.ro/portal/faces/pages\\_harta?\\_adf.ctrl-state=13ai4yik48\\_4&\\_afLoop=21607700038156206&\\_afWindowMode=0&\\_afWindowId=null#%40%3F\\_afWindowId%3Dnull%26\\_afLoop%3D21607700038156206%26\\_afWindowMode%3D0%26\\_adf.ctrl-state%3D7k5cuxg4g\\_4](http://edemos.insse.ro/portal/faces/pages_harta?_adf.ctrl-state=13ai4yik48_4&_afLoop=21607700038156206&_afWindowMode=0&_afWindowId=null#%40%3F_afWindowId%3Dnull%26_afLoop%3D21607700038156206%26_afWindowMode%3D0%26_adf.ctrl-state%3D7k5cuxg4g_4)
- INS (1998-2018). *Tempo Online* (Institutul Național de Statistică). [Data Set]. Institutul Național de Statistică. <http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table>
- Iorio, M., & Corsale, A. (2010). Rural tourism and livelihood strategies in Romania. *Journal of Rural Studies*, 26(2), 152–162. <https://doi.org/10.1016/j.jrurstud.2009.10.006>
- Jimura, T. (2011). The impact of world heritage site designation on local communities - a case study of Ogimachi, Shirakawa-mura, Japan. *Tourism Management*, 32(2), 288–296. <https://doi.org/10.1016/j.tourman.2010.02.005>
- Kant, I. (1952) *Critique of judgement*. Haffner Press
- Kaltenborn, B. P., Thomassen, J., Wold, L. C., Linnell, J. D. C., & Skar, B. (2013). World heritage status as a foundation for building local futures? a case study from Vega in Central Norway. *Journal of Sustainable Tourism*, 21(1), 99–116.
- Kennan, J., & Walker, J. R. (2010). Wages, welfare benefits and migration. *Journal of Econometrics*, 156(1), 229–229.

- Klamer, A. (2004). Cultural goods are good for more than their economic value. In V. Rao and M. Walton (Eds.). (2004). *Culture and public action* (pp. 138-162). Stanford University Press
- Klamer, A. (2016). *Doing the right thing*. Ubiquity Press
- Kloosterman, R. C. (2011). Anthony S. Rausch: cultural commodities in Japanese rural revitalization; Tsugaru Nuri lacquerware and Tsugaru Shamisen. *Journal of Cultural Economics*, 35(1), 77–80. <https://doi.org/10.1007/s10824-010-9132-0>
- Lin, N. (2001). *Social capital: a theory of social structure and action*. Cambridge University Press.
- Lovell, T. (1980). *Pictures of Reality: Aesthetics, Politics and Pleasure*. British Film Institute.
- Lucas, J. R. E. (2004). Life earnings and rural-urban migration. *Journal of Political Economy*, 112(1), 29-59
- Marian, I. (2017). Rural tourism and agro-tourism in Romania. *Ovidius University Annals, Series Economic Sciences*, 17(2), 226-231
- Matei, F. D. (2015). Cultural tourism potential, as part of rural tourism development in the North-East of Romania. *Procedia Economics and Finance*, 23, 453–460. [https://doi.org/10.1016/S2212-5671\(15\)00584-5](https://doi.org/10.1016/S2212-5671(15)00584-5)
- Mateoc-Sîrb, N., Toma, I. I., Blaga, D., Raicov, M., Chetrinescu, M. & Peț, E. (2010). Rural development and the preservation of cultural heritage. *Lucrări Științifice*, 12(1), 1-6.
- Mazumdar, D. (1987). Rural-urban migration in developing countries. In E. S. Mills (Ed). *Handbook of Regional and Urban Economics* (Vol. 2) (pp. 1097-1128). Applied Urban Economics.
- Medgyesi, M., Özdemir, E. & Ward, T. (2017). *Regional indicators of socio-economic well-being*. European Commission Directorate-General for Employment. Social Affairs and Inclusion.
- Melloni, E., Vasilescu, C., Drufuca, S., Paladino, M., Patrizio, M., Pesce, F., Lodovici, M. S., Istituto per la Ricerca Sociale, Wiesand, A., Ateca-Amestoy, V., ERICarts, Valentino, P., Bacchini, F., Associazione per Economia della Cultura, Barca, F. & ACUME (2020). *HERIWELL - Cultural heritage as a source of societal well-being in European regions*. ESPON. <https://www.espon.eu/HERIWELL>
- Mihalache, F. (2013). Activitatea economică în mediul rural și coordonatele ocupării populației. *Revista Transilvană de Științe Administrative*. 23(1), 66-82
- Mikulcak, F., Haider, J. L., Abson, D. J., Newig, J., & Fischer, J. (2015). Applying a capitals approach to understand rural development traps: a case study from post-socialist Romania. *Land Use Policy*, 43, 248–258. <https://doi.org/10.1016/j.landusepol.2014.10.024>

- Ministerul Culturii (2007). *Propunere de politică publică Creșterea calității vieții în mediul rural și mic urban din perspectiva serviciilor culturale*. Unitatea de politici Publice. <http://www.cultura.ro/sites/default/files/inline-files/PPP-CulturaRurala-2007-07-12.pdf>
- Mîndrucan, M. & Aceleanu, M. I. (2020). Migration phenomenon and its impacts on socio-economic level. The case of Romania. *Theoretical and Applied Economics*, 27, 134-142.
- Montalto, V., Tacao Moura, C. J., Langedijk, S., & Saisana, M. (2019). Culture counts: an empirical approach to measure the cultural and creative vitality of European cities. *Cities*, 89, 167–185. <https://doi.org/10.1016/j.cities.2019.01.014>
- Naghiu, A., Vázquez, J. L. & Georgiev, I. (2005). Rural development strategies through rural tourism activities in Romania: chance for an internal demand? *International Review on Public and Nonprofit Marketing*, 2(1), 85–95. <https://doi.org/10.1007/BF02893253>
- Nared, J. & Bole, D. (2020). Participatory Research on Heritage and Culture-Based Development: A Perspective from South-East Europe. In J. Nared & D. Bole (Eds.). (2020). *Participatory Research and Planning in Practice* (pp. 107-120). Springer.
- OECD (2009). *The Impact of Culture on Tourism*. OECD Publishing. <https://www.oecd.org/cfe/tourism/theimpactofcultureontourism.htm>
- OECD (2011). *How's Life?: Measuring well-being*. OECD Publishing. <http://dx.doi.org/10.1787/9789264121164-en>
- Ortega, F., & Peri, G. (2009). The causes and effects of international migrations: evidence from OECD countries 1980-2005. *Working Paper Series*, 14833.
- Ottaviano, G. I. P., & Peri, G. (2006). The economic value of cultural diversity: evidence from US cities. *Journal of Economic Geography*, 6(1), 9–44.
- Popescu, D. L. (2013). Rural population in Romania. development and tendencies (2000 - 2010). *Procedia Economics and Finance*, 6, 120–127. [https://doi.org/10.1016/S2212-5671\(13\)00123-8](https://doi.org/10.1016/S2212-5671(13)00123-8)
- Potts, J., Cunningham, S., Hartley, J., & Ormerod, P. (2008). Social network markets: A new definition of the creative industries. *Journal of Cultural Economics*, 32(3), 167–185
- Powell, W. W., & Snellman, K. (2004). The knowledge economy. *Annual Review of Sociology*, 30, 199–220.
- Rausch, A. (2010). *Cultural commodities in Japanese rural revitalization: Tsugaru Nuri lacquerware and Tsugaru Shamisen* (Social sciences in Asia Vol. 28). Brill.
- Ray, C. (1998). Culture, intellectual property and territorial rural development. *Sociologia Ruralis*, 38(1), 3–20. <https://doi.org/10.1111/1467-9523.00060>
- Rusu, M. & Florian, V. (2003). Rural space and rural development in Romania. *Rural Areas and Development*, 1, 39-55

- Samuelson, P. A. (1954). The pure theory of public expenditure. *Review of Economics and statistics*, 36(4), 387–389.
- Sandu, D., & De Jong, G. F. (1996). Migration in market and democracy transition: migration intentions and behavior in Romania. *Population Research and Policy Review*, 15(5-6), 437–457.
- Selezneva, E. (2011). Surveying transitional experience and subjective well-being: Income. Work, Family. *Economic Systems*, 35(2), 139–157.
- Shah, I. A., & Baporikar, N. (2010). Participatory rural development program and local culture: a case study of Mardan, Pakistan. *International Journal of Sustainable Development and Planning*, 5(1), 31–42. <https://doi.org/10.2495/SDP-V5-N1-31-42>
- Stan, A. M. (2017). Disseminating knowledge about cultural heritage in post 1989 Romania. a few examples. *Territorial Identity and Development*, 2(2), 49–57. <https://doi.org/10.23740/TID220175>
- Stocks, J. (2002). Cultural tourism and the community in rural Ireland. In G. Richards & D. Hall (Eds.). (2002). *Tourism and Sustainable Community Development* (pp. 233-241). Taylor & Francis.
- Taylor, R. L. (1978) *Art, an Enemy of the People*. Harvester Press.
- Throsby, D. (2001), *Economics and Culture*. Cambridge University Press
- Throsby, D., & Hutter, M. (2008). *Beyond price: Value in culture, economics and the arts*. Cambridge University Press.
- Tolstoy, L. (1995). *What is art?*. Penguin Books.
- Tonta, Y. (2009). Preservation of scientific and cultural heritage in Balkan countries. *Program*, 43(4), 419–429. <https://doi.org/10.1108/00330330910998066>
- Török, I. (2014). From growth to shrinkage: the effects of economic change on the migration processes in rural Romania. *Applied Agriculture and Forestry Research*, 64(3-4), 195–206.
- Towse, R. (2019) *A textbook of cultural economics*. (2nd ed.). Cambridge University Press
- Tubadji, A. (2012). Culture-based development: empirical evidence for Germany. *International Journal of Social Economics*, 39(9), 690–703. <https://doi.org/10.1108/03068291211245718>
- Tubadji A (2013) Culture-based development: a concept of culture as an encompassing economic factor. *International Journal of Society Systems Science*, 5(4), 355–391
- Tubadji, A., & Nijkamp, P. (2014). Altruism to strangers for our own sake: domestic effects from immigration a comparative analysis for EU15. *International Journal of Manpower*, 35(1-2), 11–32.

- Tubadji, A., & Nijkamp, P. (2015a). Cultural gravity effects among migrants: a comparative analysis of the eEU15. *Economic Geography*, 91(3), 343–343.
- Tubadji, A., & Nijkamp, P. (2015b). Cultural impact on regional development: application of a PLS-PM model to Greece. *The Annals of Regional Science*, 54(3), 687–720.  
<https://doi.org/10.1007/s00168-015-0672-2>
- Tubadji, A. & Pelzel, F. (2015). Culture based development: measuring an invisible resource using the PLS-PM method. *International Journal of Social Economics*, 42( 12), 1050-1070. <https://doi.org/10.1108/IJSE-01-2014-0005>
- Tubadji, A., Osoba, B.J. & Nijkamp, P. (2015). Culture-based development in the USA: culture as a factor for economic welfare and social well-being at a county level. *Journal of Cultural Economics*, 39(3), 277–303. <https://doi.org/10.1007/s10824-014-9232-3>
- Turnock, D. (2002). Prospects for sustainable rural cultural tourism in Maramureş, Romania. *Tourism Geographies*, 4(1), 62–94.
- UNESCO. 1972. *Convention concerning the protection of the world cultural and natural heritage*. UNESCO. <https://whc.unesco.org/archive/convention-en.pdf>
- UNESCO (2003). *Convention for the safeguarding of the intangible cultural heritage*. UNESCO. <https://ich.unesco.org/en/convention>
- UNESCO (2015). Culture for development indicators. *UpToDate*. Retrieved February 20, 2021 from: <http://www.unesco.org/new/en/culture/themes/cultural-diversity/cultural-expressions/programmes/culture-for-development-indicators/>
- UNESCO (2021). World Heritage List. *UpToDate*. Retrieved May 3, 2021. <https://whc.unesco.org/en/list/?search=romania&order=country>
- UNESCO (2021). Intangible Cultural Heritage. *UpToDate*. Retrieved May 17, 2021. <https://ich.unesco.org/en/state/romania-RO?info=elements-on-the-lists>
- UN (2021). Sustainable Development Goals. *UpToDate*. Retrieved February 20, 2021, from: <https://www.un.org/sustainabledevelopment/>
- Vaishar, A., & Stastna, M. (2020). Impact of the covid-19 pandemic on rural tourism in Czechia preliminary considerations. *Current Issues in Tourism*, (2020).  
<https://doi.org/10.1080/13683500.2020.1839027>
- Van den Braembussche, A.A. (2009). *Thinking Art: An Introduction to Philosophy of Art*. Springer
- Vermeulen, M., Vermeulen, F., Maas, K., De Vet, M. & Van Engel, M. (2019). Measuring inclusion in museums: A case study on cultural engagement with young people with a migrant background in Amsterdam. *The International Journal of the Inclusive Museum*, 12(2), 1-26

- Vos, C. (2017). European integration through ‘soft conditionality’: the contribution of culture to EU enlargement in Southeast Europe. *International Journal of Cultural Policy*, 23(6), 675–689.
- Walker, C., Jackson, M. & Rosenstein, C. (2003). *Culture and commerce: traditional arts in economic development*. Urban Institute.  
<http://webarchive.urban.org/publications/410812.html>
- Weber, M. (1904). *The protestant ethic and the spirit of capitalism*. Routledge
- White, L. H. (2012). *The clash of economic ideas: The great policy debates and experiments of the last hundred years*. Cambridge University Press
- Windle, G., Joling, K., Howson-Griffiths, T., Woods, B., Jones, C., Van de Ven, P. & Parkinson, C. (2018). The impact of a visual arts program on quality of life, communication, and well-being of people living with dementia: A mixed-methods longitudinal investigation. *International Psychogeriatrics*, 30(3), 409-423.
- Winter, T. (2015). Heritage and nationalism: An unbreachable couple? in E. Waterton & S. Watson (Eds.). (2015). *The Palgrave handbook of contemporary heritage research* (pp. 331-345). Palgrave Macmillan.
- Williams, R. (1981). *Culture*. Fontana/Collins.
- Wolff, J. (1993). *Aesthetics and the sociology of art* (2nd ed.). Macmillan.
- Zellner, A., & Theil, H. (1962). Three-stage least squares: simultaneous estimation of simultaneous equations. *Econometrica*, 30(1), 54–78.

## Appendix A: Cultural heritage impact dimensions

<b>Social dimension</b>	<i>Human capital formation</i> (Weber, 1904; Bourdieu, 1984, 1986; Lin, 2001; Walker et al., 2003; Agarwal et al., 2009; Kaltenborn et al, 2013, Winter, 2015; Cerisola, 2019; Nared & Bole, 2020)	<ul style="list-style-type: none"> <li>● Identity: values, attitudes, perceptions and behaviours</li> <li>● Skills/education</li> <li>● Creativity</li> <li>● Migration: attracting and/or retaining human capital</li> </ul>
	<i>Empowerment</i> (Jimura, 2011; Ashworth, 2013; Winter, 2015; Gorlach et al., 2014; Gallou & Fouseki, 2019; Nared & Bole, 2020; Chen et al., 2021)	<ul style="list-style-type: none"> <li>● Sense of pride over cultural heritage</li> <li>● Increased self-confidence</li> <li>● Local branding</li> <li>● Motivation</li> </ul>
	<i>Social cohesion</i> (Walker et al., 2003; Agarwal et al., 2009; Gallou & Fouseki, 2019)	<ul style="list-style-type: none"> <li>● Cultural participation</li> <li>● Enhanced quality of social interactions</li> <li>● Civic engagement</li> </ul>
<b>Economic dimension</b>	<i>Cultural tourism</i> (Ray, 1998; Ashworth, 2013; Anderson, 2015; Rausch, 2010; Jimura, 2011; Gorlach et al., 2014)	<ul style="list-style-type: none"> <li>● Sustained source of income</li> <li>● Development of economic performance across other related sectors</li> <li>● Employment in other related sectors</li> </ul>
	<i>Commercialization of traditional arts and crafts</i> (Ray, 1998; Walker et al., 2003; Rausch, 2010; Chen et al., 2021)	<ul style="list-style-type: none"> <li>● Sustained source of income</li> <li>● Employment in the creative sector</li> <li>● Consumption of local products</li> </ul>

**Appendix B: Pearson Correlation Test**

	CH	ArtL	CP	M	HC	IHC	GDPpc	AvW	Enterprise
<b>CH</b>	<b>1.0000</b>								
<b>ArtL</b>	<b>0.0542</b> <b>0.7884</b>	<b>1.0000</b>							
<b>CP</b>	<b>0.1969</b> <b>0.3249</b>	<b>0.4977</b> <b>0.0083</b>	<b>1.0000</b>						
<b>M</b>	<b>-0.2072</b> <b>0.2997</b>	<b>-0.3308</b> <b>0.0920</b>	<b>-0.0470</b> <b>0.8161</b>	<b>1.0000</b>					
<b>HC</b>	<b>0.3872</b> <b>0.0460</b>	<b>0.1942</b> <b>0.3316</b>	<b>0.1260</b> <b>0.5311</b>	<b>0.1607</b> <b>0.4232</b>	<b>1.0000</b>				
<b>IHC</b>	<b>-0.1434</b> <b>0.4754</b>	<b>-0.1093</b> <b>0.5873</b>	<b>-0.1194</b> <b>0.5532</b>	<b>0.2969</b> <b>0.1326</b>	<b>0.2598</b> <b>0.1907</b>	<b>1.0000</b>			
<b>GDPpc</b>	<b>0.0761</b> <b>0.7060</b>	<b>-0.0275</b> <b>0.8916</b>	<b>0.5015</b> <b>0.0077</b>	<b>0.2992</b> <b>0.1294</b>	<b>0.2861</b> <b>0.1479</b>	<b>0.1577</b> <b>0.4321</b>	<b>1.0000</b>		
<b>AvW</b>	<b>0.3061</b> <b>0.1205</b>	<b>-0.0953</b> <b>0.6363</b>	<b>0.1589</b> <b>0.4287</b>	<b>-0.2804</b> <b>0.1566</b>	<b>0.1795</b> <b>0.3702</b>	<b>-0.2004</b> <b>0.3162</b>	<b>0.4803</b> <b>0.0112</b>	<b>1.0000</b>	
<b>Enterprise</b>	<b>-0.2535</b> <b>0.2020</b>	<b>-0.0638</b> <b>0.7520</b>	<b>0.2826</b> <b>0.1532</b>	<b>0.4083</b> <b>0.0345</b>	<b>-0.0619</b> <b>0.7590</b>	<b>0.0554</b> <b>0.7836</b>	<b>0.6259</b> <b>0.0005</b>	<b>0.0736</b> <b>0.7153</b>	<b>1.0000</b>

Significance: \*\*\*p<0.001, \*\*p<0.01, \*p<0.