

ECONOMIC IMPACT OF CULTURAL FESTIVALS AND CIVIC FESTIVITIES. EXPERIENCES AND CASE STUDIES IN SPAIN

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Structure of the presentation

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3. Case study: Holy Week Celebration in Palencia (Spain)
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Introduction

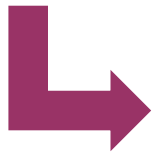
- ❑ Cultural heritage comprises the resources inherited from the past in all its many forms and manifestations. Heritage emerges from the interaction between people and places over time and is undergoing constant change.
- ❑ Therefore, over the last few years the concept of cultural heritage has changed on two fronts:
 - Firstly, the list of items considered to be heritage has grown, adopting a comprehensive approach.
 - Secondly, the list of heritage items now includes intangible elements which are able to reflect the idiosyncrasy of a group, the recognition of an identity or the value of a tradition.

Introduction

- ❑ UNESCO defines intangible cultural heritage (ICH) as “the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage.
 - a) oral traditions and expressions
 - b) performing arts
 - c) social practices, rituals and festive events**
 - d) knowledge and practices concerning nature and the universe
 - e) traditional craftsmanship

Introduction

- ❑ As a result, ICH is also a key element in collective identity, embraces a fundamental cultural and artistic value, yet can also contribute towards the local and regional economy through the flows of rent it generates, by creating employment, or by supporting the maintenance or creation of certain productive activities.



ECONOMIC IMPACT STUDIES

Economic Impact Studies

- ❑ Economic impact studies (EIS) seek to estimate the economic importance of the arts and to explore activity flows and the income linked to the existence of a given cultural expression.
- ❑ The underlying goal of such studies is to measure the economic effects to emerge from a cultural activity, organisation or event on a given area over a given period.
- ❑ They aim to answer the question “If the activity did not exist, what would the loss of revenue to the area have been?”

Economic Impact Studies

- ❑ EIS tend to adopt a common methodology, although differences do exist between one application and another. Broadly speaking, three kinds of effect or impact exist:
 - Direct effects: the cultural institution's expenditure (budget)
 - Indirect effects: audience expenditure (survey)
 - Induced effects: spillover effects (multiplier)

- ❑ In sum, EIS try to analyse the arrival of "new money" in the area and how the latter spreads throughout the economy.

Economic Impact Studies

- ❑ Economic Impact Studies do not prove particularly complex from the conceptual standpoint, but do entail certain technical difficulties that need to be approached with caution and rigour, if overestimating the impact of the activity analysed is to be averted.

Economic Impact Studies

- ❑ Direct effects \Rightarrow expenditure inside the area of reference
- ❑ Indirect effects:
 - expenditures of attendees from outside the reference area (visitors)
 - expenditure actually attributable to the event (trip motivation)
 - expenditure inside the area of reference
 - calculation of capacity (number of individuals) \rightarrow complexity in open spaces
- ❑ Induced effects:
 - lack of multipliers at a local scale
 - limitation of input-output analysis

Economic Impact Studies

- ❑ These technical difficulties, the lack of accuracy in certain practical applications, as well as other limitations in economic impact studies have led to a number of criticisms as well as alternative valuation methodologies being proposed.
- ❑ Despite the limitations, interest in EIS is based on the fact that:
 - they can prove to be an extremely useful tool to measure the relative weight of a cultural activity in the economy in question;
 - an understanding may be gained of culture's impact on the various sectors of the economy;
 - these studies provide insights into different visitors' spending patterns, which may again prove useful in the management and marketing.

Economic Impact Studies

- ❑ EIS were basically devised for festivals and cultural events.
- ❑ Nowadays, however, in the field of culture they are now being applied to traditional and popular festivities, namely elements which form part of immaterial cultural heritage: the festivities of *e/ Pilar* in Zaragoza, the *Fallas* in Valencia, Holy Week in Cordoba and Seville or the Courtyards Festival of Cordoba, amongst others.



Festivities of *El Pilar* Zaragoza (2010)

Impact on production
185 878 260 euros

Impact on employment
3,386 jobs



Fallas in Valencia (2008)



Impact on production
753 768 515 euros

Impact on employment
7,580-8,400 jobs per year

The Courtyards Festival of Cordoba (2013)



Visitor spending
3 337 123 euros

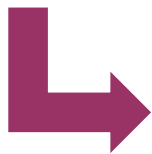
Case study: Holy Week celebration in Palencia (Spain)

- ❑ Holy Week is the annual Christian commemoration of the Passion, Death and Resurrection of Christ. It is an event with a long-running tradition in many parts of the world and, in most towns and cities, is expressed through processions and other religious acts.
- ❑ Holy Week celebration comprises three basic elements: Brotherhoods and its members, images and processions.



Case study: Holy Week celebration in Palencia (Spain)

- ❑ Economic impact of the Holy Week celebration in the city of Palencia (Spain) during 2012, an event to be declared of International Tourist Interest by the Spanish Government.
- ❑ This festivity is organized by the Brotherhoods of the city and their members (5,700). However, beyond these main actors, all people attending the event are part of this celebration and impact on the local economy.



- ✓ Three different types of survey were carried out: brotherhoods and its members; visitors; residents.
- ✓ Calculation of capacity: different techniques.

Case study: Holy Week in Palencia

Type of participant	Measuring system	Different people	Spectators
Total number of people (number of spectators)	Observation and measuring the occupation on the streets (by procession held)		110,453
Visitors	Inference based on data from the INE and visitor surveys	3,259 tourists (2.96 processions on average)	9,655
Number of brotherhoods Active brotherhoods Passive brotherhoods (public)	Information from the brotherhoods Survey amongst the brotherhoods Survey amongst the brotherhoods	5,677 3,552 2,125 (4.79 processions on average)	10,179
Local residents attending	General observation Average number of processions stated in the survey	16,817 (5.39 processions on average)	90,619

Case study: Holy Week in Palencia

□ DIRECT EFFECTS

	Total expenditure (€)	Spending outside Palencia (€)	Spending in Palencia (€)
<i>BROTHERHOODS</i>			
PROPERTIES (purchasing/renting premises, etc.)	85,159.59	0.00	85,159.59
FURNITURE (purchasing furniture, repairs, etc.)	574.51	0.00	574.51
ASSETS (statues, floats, accessories...)	87,562.55	44,000.00	43,562.55
EXPENDITURE ON PROCESSIONS AND MASSES (flowers, hiring bands, robes, etc.)	65,466.33	4,407.62	61,058.71
OFFICE MATERIAL	31,807.51	0.00	31,807.51
SACIAL ACTION (donations and help, alms, etc.)	7,833.53	0.00	7,833.53
OTHER EXPENSES	27,433.89	0.00	27,433.89
<i>TOTAL BROTHERHOODS (1)</i>	<i>30,837.90</i>	<i>48,407.62</i>	<i>257,430.28</i>
<i>BROTHER HOODS MEMBERS</i>			
Robes, preparation/cleaning of robes...	115,666.47	5,554.40	110,112.42
<i>TOTAL BROTHERHOODS MEMBERS (2)</i>	<i>115,666.47</i>	<i>5,554.40</i>	<i>110,112.42</i>
TOTAL DIRECT EFFECTS (1+2)	421,504.37	53,962.02	367,542.70

Case study: Holy Week in Palencia

❑ INDIRECT EFFECTS

Visitors

Concept	Tourists paying for accommodation	Tourists not paying for accommodation	Day trippers	Total (€)
Accommodation	148,508.12	0.00	0.00	148,508.12
Food and drink	124,009.21	50,284.95	5,096.85	179,391.01
Transport/parking	19,120.35	18,194.42	1,456.38	38,771.15
Mementos and souvenirs	12,813.09	12,365.44	0.00	25,178.53
Admission to monuments	11,816.35	5,379.58	155.95	17,351.88
Tourist purchases	30,257.88	11,420.71	0.00	41,678.59
Other expenditure	29,487.88	19,923.04	2,307.19	51,718.11
Total visitors expenditure	376,012.88	117,568.14	9,016.37	502,597.39

Fuente: Lafuente, Devesa and Sanz (2016)

Case study: Holy Week in Palencia

□ INDIRECT EFFECTS

Local residents

	Option A Main motivation (100%)	Option B Secondary motivation (50%)	Total
Eating and drinking out	38.68	35.34	200,966.92
Transport/parking	2.98	6.10	20,190.96
Donations and alms	2.66	3.31	15,046.66
Admission to monuments	0.98	1.20	5,516.36
Purchasing clothes/footwear	2.62	6.71	19,629.38
Other expenses	12.08	10.66	62,237.80
Number of residents	3,922	2,788	
Total residents expenditure			323,588.08

Fuente: Lafuente, Devesa and Sanz (2016)

Case study: Holy Week in Palencia

❑ INDIRECT EFFECTS

Total

	Expenditure
Visitors	502,597.39
Residents	323,588.08
TOTAL INDIRECT EFFECTS	826,185.47

Fuente: Lafuente, Devesa and Sanz (2016)

Case study: Holy Week in Palencia

□ INDUCED EFFECTS AND TOTAL IMPACT

	Direct and indirect expenditure (€)	Multiplier (sector)	Value of multiplier	Induced effect
BROTHERHOODS				
Expenditure on premises	35,146.43	43	1.337187	47,330.58
Refurbishment	16,010.76	32	2.293230	37,777.25
Maintenance costs (insurance, water ...)	23,644.89	06	2.249139	57,817.19
Other expenses (related with the premises)	10,357.51	43	1.337187	13,948.12
Purchasing furniture	13.53	35	2.635914	21.64
Repairs	560.98	35	2.635914	897.26
Statues and floats	16,772.60	30	2.577097	50,825.98
Precious metal craftwork	13,634.96	30	2.577097	41,318.01
Embroidery work (banners ...)	2,304.28	30	2.577097	6,982.65
Accessories for the procession	9,469.71	30	2.577097	28,696.06
Other expenses (related with assets)	1,381.00	30	2.577097	4,184.85
Flowers	13,993.70	35	2.635914	22,382.16

Continues.....

Case study: Holy Week in Palencia

□ INDUCED EFFECTS AND TOTAL IMPACT

	Amount of expenditure
DIRECT EFFECTS	367,542.70
INDIRECT EFFECTS	826,185.47
NET INDUCED EFFECT	1 064,885.95
TOTAL ECONOMIC IMPACT 2012	2 258,614.12

Fuente: Lafuente, Devesa and Sanz (2016)

Case study: Holy Week in Palencia

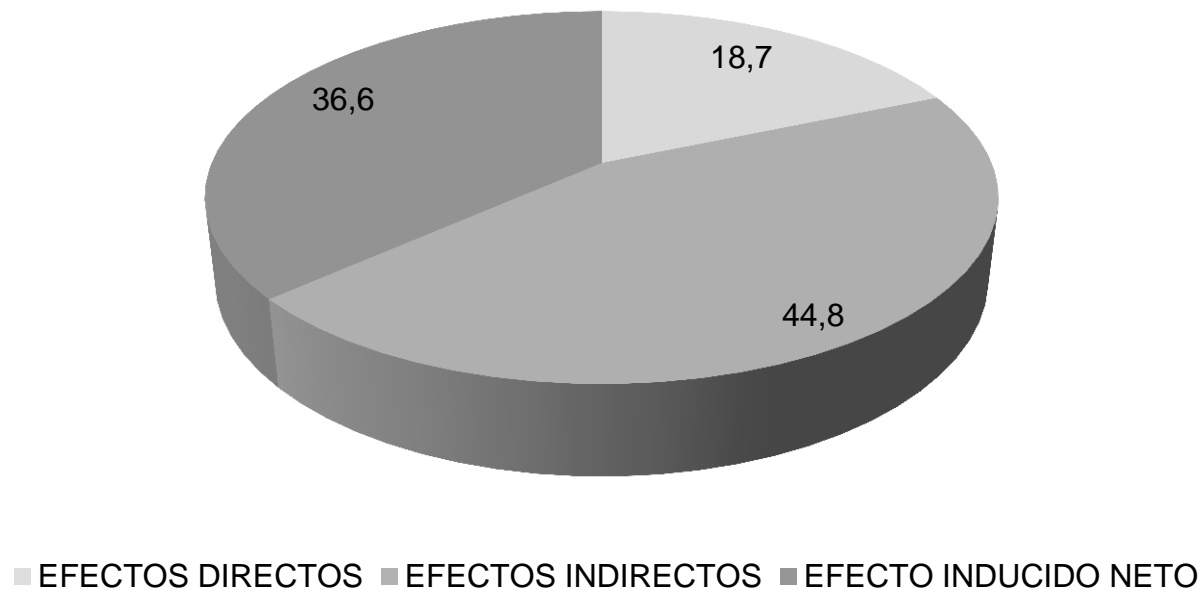
□ INDUCED EFFECTS AND TOTAL IMPACT

	Amount of expenditure
DIRECT EFFECTS	367,542.70
INDIRECT EFFECTS	826,185.47
NET INDUCED EFFECT	649,075.09
TOTAL ECONOMIC IMPACT ON THE CITY OF PALENCIA 2012	1 842,803.26

Fuente: Lafuente, Devesa and Sanz (2016)

Case study: Holy Week in Palencia

□ INDUCED EFFECTS AND TOTAL IMPACT



Effect on Palencia = 1.8 M€

Total Effect = 2.3 M€

Conclusions

- ❑ Today, Holy Week is an extremely complex and multifaceted event.
- ❑ A number of different stakeholders are involved in Holy Week, all of whom contribute to the economy of the area by either producing or by consuming or both.
- ❑ In the case of Holy Week in Palencia, the associated impact amounts to 1.8 million euros, which represents only a fraction of the local GDP but which does, nevertheless, help create economic activity and employment.
- ❑ The contribution made by public institutions to Holy Week (30,209 euros in 2012) represents just a small part (only 8.22%) of the required investment.
- ❑ the impact of Holy Week goes beyond the monetary concerns (aspects of a qualitative nature).