

MERCEDES GUMBAU ALBERT

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THE ACCUMULATION OF INTANGIBLES AS A NEW SOURCE OF ECONOMIC GROWTH: A REGIONAL APPROACH

Abstract:

In this study we provide regional evidence of the impact of intangible capital on economic growth and show that intangible assets have revealed themselves as powerful drivers of productivity gains of economies. During the recent decades, Information and Communication Technologies (ICTs) have led to previously unknown methods of production that require, in turn, huge changes in the organization of the company. They also force it to create a brand image and to increase sophistication through the design of new products and knowledge of the markets for all of which it is necessary to have trained workers. Therefore, accompanying the ICT investment, the company must add an investment in complementary intangible expenditure necessary to take advantage of its full potential being the necessary expense in intangible assets as large as the expense in tangibles. These intangible assets are: knowledge based activities as ICTs, R&D, entrepreneurial culture, computer software, mineral exploration and artistic and literary originals, design and new products, advertising, market prospective and organizational structure. In this context, the objective of the paper is to analyze the importance of intangible assets on regional economic growth, providing empirical evidence for the specific case of the Spanish regions. To this aim, we use the accounting of the economic growth that allows to decompose the growth of the GDP in the contribution of the productive inputs and of the Total Productivity Factor, being one of those inputs the stock of capital in intangibles. We compare the contribution of capital stock in intangibles with other types of capital stock as R&D or human capital. The empirical application covers the period 2000-16, which allows us to analyze whether the contribution of the capital stock in intangibles has varied throughout the economic cycle.

Keywords:

knowledge, intellectual capital, intangible assets, regional growth, Total Factor Productivity

JEL Classification: E22, O40