

# The Influence of Culture on Economic Development

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## Abstract

**The excellent Chinese traditional culture, which has been continuously passed down and developed with the changes of the times, subtly shapes people's thinking and behavior patterns, which not only enriches the spiritual world of human beings, but also gradually becomes the eternal vitality of sustainable economic and social development. Based on the theory of humanistic economics, this paper takes the quantity of intangible cultural heritage as the index of cultural development level to further study the role and influence mechanism of culture on economic development. The results show that the cultural variables represented by intangible cultural heritage have a significant positive effect on economic development; Culture can help regional economic development through innovation, capital and industrial structure transformation mechanism; At the same time, the influence of culture on economy exists regional heterogeneity. Guided by cultural thought and economic thought, this study aims to deeply understand the economic value of the culture represented by intangible cultural heritage, and provide theoretical basis for inheriting and developing excellent traditional culture and promoting economic and social development.**

## Keywords

**Culture; Intangible Cultural Heritage; Capital; Innovation; Industrial Structure.**

## 1. Introduction

The issue of economic development has always been the core issue of continuous concern in academic circles, and people generally expect to explore the driving force behind it, thus promoting economic and social development. In the past, culture, customs, history and other factors were often excluded from the scope of research. The reason is that the mainstream western economic theories mainly emphasize the importance of static, structural and logical factors, ignoring the role of non-institutional factors such as culture, and even regard it as an obstacle to economic development. In fact, if we want to further study China's economic problems, we can't ignore the profound cultural heritage of the Chinese nation. As the economic foundation, the level of economic development determines the cultural form of the superstructure, and culture will have an impact on the goals and effects of economic development. Therefore, if we want to study economic development, we must trace the cultural motivation behind it.

With the new wave of scientific and technological revolution and industrial revolution, the academic circles are eager to seek new impetus for economic development, and the promotion of culture to economic development has been widely concerned. In fact, people have long been concerned about the economic role of culture. As early as 2005, General Secretary stated in "Culture is Soul" that the power of culture moistens things silently and is a booster of economic development. In recent years, cultural thought has enriched and deepened this understanding. In November, 2023, at the symposium on "Theory and Practice of Humanistic Economics", the experts and scholars attending the symposium deeply studied the economic value of culture, and pointed out that cultural value plays a leading role in the economy. Li Yang, vice president of Jiangsu Academy of Social Sciences, emphasized that culture has injected profound

humanistic value, efficient organizational ability and stronger competitiveness into economic development[7]. This discussion provides a brand-new perspective and realization path for high-quality development, and the voice of "recasting economic Zhan Lu with the dark iron of humanity" is rising gradually.

Traditional culture is the cultural foundation and civilized feature of contemporary economic development. Culture, in various forms, such as painting, writing and songs, affects people's outlook on life, world outlook and values, and then affects corporate culture and economic behavior. For example, influenced by clan culture, Wenzhou and Chaoshan areas are mostly family businesses, paying attention to tradition; Some enterprises uphold the "Banmo culture", always stick to their original intentions, and cultivate a batch of great country craftsmen; Confucianism emphasizes "harmony between man and nature", and influenced by this culture, China's economic development tends to green economy. In recent years, traditional culture has been innovatively developed and creatively transformed, and cultural products and industries have been given new vitality, realizing the integration and interaction between culture and economy.

In view of the fact that traditional culture is all-encompassing, and there is no unified comprehensive index to describe cultural development in academic circles at present, this paper mainly studies the influence of culture on economy from the perspective of intangible cultural heritage. Intangible cultural heritage is a variety of traditional cultural expressions that are jointly created by people of all ethnic groups, passed down from generation to generation and continuously developed. This includes knowledge, skills and related tools, handicrafts and cultural sites. It is not only the precious wealth created by predecessors, but also the material carrier of Chinese excellent traditional culture. General Secretary once stressed during an inspection tour of the Central Pavilion of the National Edition Pavilion in China: "What I am most concerned about is the most precious things left by the vicissitudes of Chinese civilization. Our culture continues to flow and then pass on, and these treasures left behind must be taken care of and cherished by all means. " In the same year, when he met with the Director-General of UNESCO, he reiterated that China would continuously improve its ability and level of cultural heritage protection. Up to now, 43 intangible cultural heritages in China have been included by UNESCO, and at the same time, 3610 precious heritages have been included in the national intangible cultural heritage list. In the process of building a strong cultural country, intangible cultural heritage plays an irreplaceable role.

Similarly, by protecting and utilizing intangible cultural heritage, we can give full play to its economic potential, and then effectively promote economic development. However, at present, the economic value of these heritages has not been fully reflected, and they mainly face two dilemmas: one is insufficient protection, and the other is over-exploitation and commercialization. In the process of development, some cities broke out "heritage destruction" events, and a series of historical buildings, cultural relics and sites were demolished or destroyed. For example, the site of the thin queen mother mausoleum in the Western Han Dynasty was stolen; The Ming Great Wall was destroyed by the construction of Yujing Highway in Yulin City; There are illegal constructions in the site of Xianyang City in Qin Dynasty. In addition, some intangible cultural heritages have been wrongly overexploited. This is mainly due to the lack of awareness of the protection of intangible cultural heritage by local management departments and the neglect of its special economic value.

Based on this, this paper takes intangible cultural heritage as the breakthrough point, and deeply explores the role of culture in economic development, aiming at integrating humanistic factors into economic research, inheriting and carrying forward the economic value of Chinese excellent traditional culture, thus providing a solid theoretical basis for the protection and rational utilization of intangible cultural heritage.

## 2. Literature Review

Academic circles have carried out extensive theoretical and empirical research on the influencing factors of economic development. Industrial Policy (Song Lingyun and Wang Xianbin, 2013[9]; Wang Kemin et al, 2017), institutional arrangement (Pan Xiangdong et al, 2005)[8], education (Cai Zengzheng, 1999)[1] and natural resources (Hu Yuancheng and Xiao Deyong, 2007) have all been proved to have a significant impact on economic development. At present, the research on this topic is still going deep.[4]

The theories of culture and economic development at home and abroad are constantly evolving, from overall affirmation to overall negation, and then to dialectical view, and the promotion of culture to economic development has been paid reasonable and full attention. Most scholars such as James and Thomas (1998), John and Elk (2002), Enrico and Giovanna (2022) have pointed out that culture plays an important role in economic development. With the vigorous development of humanistic economics, the related research dimensions are constantly expanding.[5] Existing research shows that dialect diversity has a positive impact on economic growth (Zhu Junbing and Grigorija Diss, 2022)[24]; National culture has direct and indirect influence on foreign direct investment (Selma et al, 2023); Christian culture has a significant positive impact on economic performance (Shi Shuxing et al, 2014); Confucian culture reduces the risk of enterprise default, which embodies the lasting significance of Chinese excellent traditional culture (Zhang Ning et al, 2024); Red culture reduces the cash holdings of enterprises and affects their business decisions (Li Zuohong et al, 2023); Taoist culture has financial decentralization and financial science and technology effects, thus promoting the development of digital economy (Chen Xiaohui and Xing Wu, 2023); Clan culture has a positive impact on corporate governance and innovation ability (Chen Binkai and Chen Siyu, 2018; Pan Yue et al, 2019). Different types of cultures all affect economic development to varying degrees, and the related research fields are constantly expanding.

There are also many studies on how culture affects economic development. Bourdieu (1986) put forward the theory of cultural capital, which revealed the important role of culture in the production and reproduction of social structure. Pan Yue et al (2023) think that culture can improve the innovation ability of individuals and enterprises and then affect economic development, which is supported by a few scholars who have discussed the influence of some cultural values on innovation before (Chenet al,2014; Adhikari& Agrawal,2016; Pan Jianping, 2019); Luo Ronghua (2023) clearly pointed out that culture affects economic development by developing cultural industries and promoting the transformation of industrial structure. In addition, some behavioral economists study how culture affects people's ideas and economic behaviors. For example, Chen Man and Zhou Yonggang (2020) found that some moral requirements in traditional culture gradually evolved into business ethics, which influenced the goal and direction of modern economic development[10][11]. This kind of research is endless.[13][14][15]

Although some scholars admit that culture has economic value that cannot be ignored, there are still some differences on the selection of proxy variables of culture. This requires us to further study in order to select more representative cultural proxy variables. This paper intends to select the quantity of intangible cultural heritage as the proxy variable of cultural development level. In recent years, intangible cultural heritage, as an important carrier of culture, has gradually entered the research field. For example, Ding Huanfeng and others (2024) explored the economic value of humanistic city construction based on historical and cultural heritage, and emphasized the important role of historical and cultural heritage in economic development[2]. Xu Yingqing and others (2024) found that under the background of digital economy, people's willingness to buy cultural heritage products is stronger. In addition, Chen Zhengfu and others (2021) demonstrated how cultural heritage can promote rural economic

development through power disputes and interactions. Unfortunately, although the economic value of intangible cultural heritage is gradually recognized, there are limited literatures about the specific impact of intangible cultural heritage. Its influence mechanism on economic growth deserves further academic attention.[3]

Based on the above analysis, the possible contributions of this paper are as follows. Firstly, this paper selects the quantity of intangible cultural heritage as the proxy variable of cultural development, which enriches the relevant literature on the influence of culture on economic development, especially the economic value of intangible cultural heritage. Secondly, most of the existing literature lacks the analysis of the specific mechanism of cultural influence on economic development. This paper analyzes how the culture represented by intangible cultural heritage affects economic development from three aspects: capital accumulation, technological innovation and industrial structure. Finally, in view of the current urbanization construction, this paper further emphasizes the economic value of intangible cultural heritage and provides theoretical reference for urban construction.

The rest of this paper is organized as follows. The third part deeply analyzes the relevant theoretical basis and influence mechanism. The fourth part introduces the specific empirical analysis methods and results, and finally summarizes and draws some policy suggestions.

### 3. Theoretical Basis

Since entering the new era, China's development departments have continuously promoted the integration and interaction between culture and economy, and continuously injected cultural impetus into economic development, which not only realized the innovative development and creative transformation of culture[6], but also promoted the development of local economy. The economic effect of culture is mainly manifested in this paper as whether the existence of intangible cultural heritage will promote local economic development. If so, through what channels will it affect the economy? [18][20][21] This is the focus of this paper. As mentioned above, this paper mainly explains the relationship mechanism between culture and economic development from three angles: capital accumulation, technological innovation and industrial structure, and puts forward corresponding theoretical hypotheses.

Intangible cultural heritage can realize material capital accumulation and promote economic development. Bourdieu put forward that "culture can also be a kind of capital" after non-economic interpretation of Marx's capital theory. On the one hand, people have consumer demand for intangible cultural heritage products and services. With the accumulation of material wealth and the continuous promotion of cultural self-confidence, consumption has shifted from survival to development and enjoyment consumption, and people's consumption demand for products related to intangible cultural heritage has gradually increased. Based on the theory of supply and demand, owners of cultural assets constantly provide related products or services to obtain economic benefits, and a series of industries related to intangible cultural heritage flourish, and related cultural products and services emerge one after another. A typical example is the non-legacy tie-dyed handicrafts in Jiuzhaigou area, with a wide variety of products[19], strong service experience and high popularity. This transforms culture into economic capital, thus promoting the accumulation of a large number of material capital. On the other hand, it is feasible for our government to continuously provide corresponding institutional guarantee to make intangible cultural heritage become economic capital. In recent years, the state has issued relevant policies to support the protection and rational development of intangible cultural heritage, and also to encourage related investment and consumption[12], which has created a good environment for the development of related industries. [17] Based on this, the first hypothesis of this paper is put forward: intangible cultural heritage can help economic development through the accumulation of material capital.

Intangible cultural heritage plays an important role in enhancing local innovation ability.[22] First of all, its protection and rational development.[16]It not only helps to shape the city brand image, but also helps to enhance the city competitiveness. When relevant departments realize the economic value of intangible cultural heritage, they will naturally increase investment in innovation resources, thus improving local innovation ability. Secondly, intangible cultural heritage, as an excellent traditional culture, itself condenses the wisdom of predecessors and is technologically advanced. With the efforts to protect and develop intangible cultural heritage, opportunities for innovation and entrepreneurship related to cultural heritage are constantly released, and the technology of traditional craftsmen is inherited and innovated. [23]Finally, once the intangible cultural heritage is reasonably developed and applied, related cultural industries will also develop, forming a strong cultural and innovative atmosphere, and the attraction to innovative talents in other places will be stronger. Jingdezhen in Jiangxi Province thrives after thousands of years of kiln fire, which vividly embodies the relationship between intangible cultural heritage and innovation. Ceramics, as a bright treasure of Chinese culture, has always been an important business card for China's foreign exchange. Thanks to the cultural and economic value behind ceramics, the local government invested heavily in repairing and protecting historical and cultural blocks, and attracted many old craftsmen and apprentices to settle in, so that craftsmen's skills could be inherited and innovated. This not only promoted the vigorous development of ceramic cultural and creative industries, but also created a strong innovative cultural atmosphere for Jingdezhen. Based on this, the second hypothesis of this paper is put forward: intangible cultural heritage promotes economic development through technological innovation.

In addition, based on the existing research, we find that intangible cultural heritage has a deeper impact on the economy, mainly reflected in the transformation and upgrading of industrial structure. The protection and development of intangible cultural heritage is helpful to improve people's environmental quality requirements, which makes some industries have to realize green transformation. At the same time, by developing the economic value of intangible cultural heritage, cultural and creative industries and related tourism services have developed rapidly, which has promoted the transformation and upgrading of regional industrial structure to some extent. For example, the transformation of Shanghai Baosteel's industrial heritage not only retains the historical features of industrial culture in the last century, but also realizes the transformation of local industrial heritage, transforming abandoned industrial sites into modern culture and commercial space. This not only realizes the reuse of abandoned space, but also realizes the transformation and upgrading of industrial structure. Based on this, this paper puts forward a third hypothesis: intangible cultural heritage can realize the transformation and upgrading of industrial structure and promote economic development.

#### 4. Empirical Analysis

This paper takes the economic development level of each province and city as the research object, and the sample period is from 2006 to 2021. There are two reasons for choosing 2006 as the research starting point. First, the Interim Measures for the Protection and Management of National Intangible Cultural Heritage was promulgated in 2006. This year is a milestone in the protection of China's intangible cultural heritage, and a large number of intangible cultural heritages have been reasonably protected by the government and the public. Therefore, the economic value of intangible cultural heritage may be more prominent from 2006. Second, before this, due to the lack of unified management, the relevant intangible cultural heritage data were unavailable or missing.

### 4.1. Data Source

The main explanatory variable selected in this paper is the quantity of intangible cultural heritage in each region, and the data are mainly compiled from the information published on the official website of intangible cultural heritage in China. The explained variable is the economic development level of each region, which is measured by per capita GDP in benchmark regression and replaced by flat per capita GDP in robustness test. In addition, in order to further verify the specific mechanism of intangible cultural heritage affecting economic development, foreign direct investment (FDI), Innovation level and Industrial structure are selected as the main variables. Referring to the existing research, this paper also includes the following control variables: urbanization level, social consumption level, human capital level and population density.

**Table 1.** Definition of each variable

Variable name	variable symbol	Measurement method
Intangible cultural heritage	Intangible cultural heritage	Sorting out the number of intangible cultural heritage owned by each province in each year from the Catalogue of Intangible Cultural Heritage in China published by China Intangible Cultural Heritage Network.
Per capita GDP	GDP	Per capita GDP
Reduce per capita GDP	FGDP	Price reduction with per capita GDP index
foreign direct investment (FDI)	FDI	Total foreign direct investment * exchange rate of USD against RMB.
Innovation level	Innovation	The natural logarithm is taken as the acceptance quantity of the invention patent application.
industrial structure	Industrial structure	Output value of tertiary industry/total value of secondary industry
Urbanization level	Urbanization	Urban population/total population
Social consumption level	Social consumption	Total retail sales of social consumer goods /GDP
Human capital level	human capital	Number of students in institutions of higher learning/total population
population density	Population density	The total population of the region and the administrative division area of the region

### 4.2. Model Construction

In order to investigate the economic effects of intangible cultural heritage, this paper establishes the following regression model:

$$Lngdp = a + b * \text{Intangible cultural heritage} + c * \text{controls} + \text{year} + \text{pro} + \text{uit} \tag{1}$$

Among them, I and T represent provinces and years respectively, Lngdp is the natural logarithm of per capita GDP, indicating the level of economic development. In the robustness test, LnFGDP is used instead, Intangible cultural heritage is the quantitative index, controls are the control variables, year and pro represent the fixed effects of years and provinces respectively, and uit

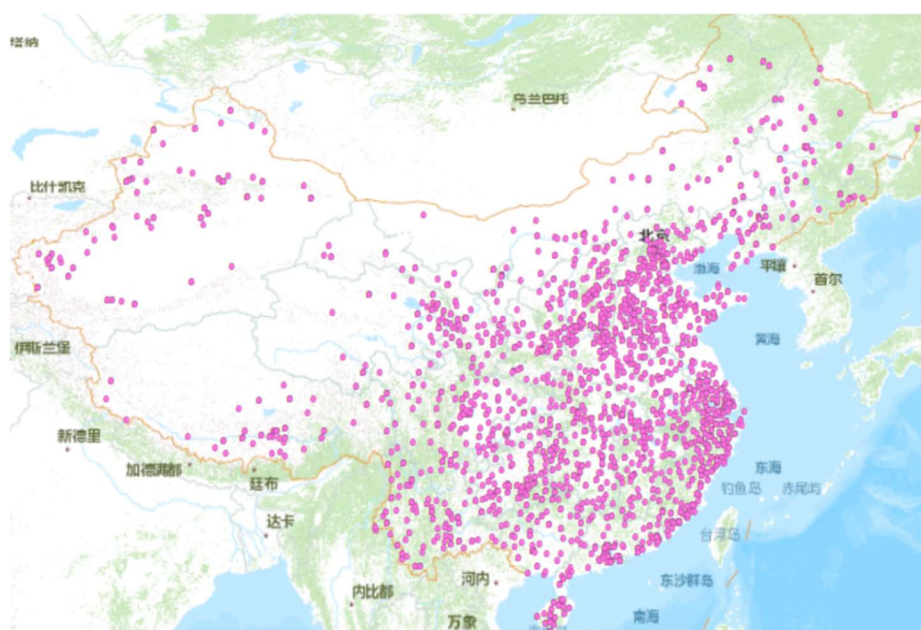
is a random error term. According to the above, this paper predicts that the regression coefficient  $b$  is significantly positive.

### 4.3. Descriptive Statistic

Descriptive statistical results are shown in Table 2. This paper estimates that the average number of intangible cultural heritage in each province from 2006 to 2021 is 60.61, and the standard deviation is 56.81, which shows that the development level of intangible cultural heritage in each province is very different. At the same time, the results of descriptive statistical analysis show that there are great differences in foreign direct investment, innovation level and industrial structure among provinces, among which the minimum value of innovation is 1.386 and the maximum value is 12.40; The minimum value of industrial structure is 0.494 and the maximum value is 5.297. This shows that there is a big gap between the innovation level and industrial structure in various provinces. Further, it can be found that the spatial distribution of intangible cultural heritage is also extremely unbalanced, showing a trend of less east and more west, more south and less north.

**Table 2.** Descriptive Statistics of Variables

Variable	Mean	SD	Min	Median	Max
lngdp	9.081	1.268	4.766	9.267	11.73
lnfgdp	9.170	0.521	7.887	9.103	10.78
Intangible cultural heritage	60.61	56.81	0	46	257
fdi	0.0230	0.0210	0	0.0170	0.147
innovation	8.272	2.010	1.386	8.315	12.40
industrial structure	1.085	0.594	0.494	0.904	5.297
Urbanization	0.509	0.162	0.139	0.506	0.896
human capital	0.0160	0.00800	0.00200	0.0160	0.0420
Social consumption	0.362	0.0630	0.218	0.358	0.582
Population density	425.8	627.6	2.101	270.4	3926



**Figure 1.** Spatial distribution map of material cultural heritage (drawn using ArcMap)

#### 4.4. Benchmark Regression and Robustness Test

In order to ensure the accuracy and reliability of regression analysis, we conducted houseman test to further verify whether the fixed effect model should be adopted. The P value of its statistic is 0.0084, which is significant at the level of 1% significance. Therefore, the fixed effect model is more suitable. The regression results of economic effects of intangible cultural heritage are shown in Table 3. Column (1) shows that the regression coefficient of intangible cultural heritage is 0.014, which is significant at the level of 1%. Columns (2) and (3) show that the regression coefficient is still significantly positive after adding control variables. Specifically, after controlling other factors, each additional unit of intangible cultural heritage will increase the local per capita gdp by 0.6%(100\*0.006%), which is also significant in economic sense. In column (4), we use the reduced GDP per capita instead of GDP per capita, and the result is still significantly positive. The above results show that intangible cultural heritage can significantly promote local economic growth under certain other conditions. The regression results of control variables are basically consistent with previous scholars' research. The higher the level of urbanization, the higher the level of human capital, the higher the level of social consumption and the higher the population density, the higher the level of regional economic development.

**Table 3. Benchmark Regression and Robust Test**

	(1)	(2)	(3)	(4)
	lngdp	lngdp	lngdp	lnfgdp
Intangible cultural heritage	0.014***	0.006***	0.006***	0.002***
	(42.44)	(20.46)	(18.27)	(12.23)
Urbanization		1.053***	0.184	0.157*
		(7.71)	(1.14)	(2.14)
Human capital		74.850***	87.244***	17.206***
		(26.58)	(29.26)	(12.66)
Social consumption			1.003***	0.310**
			(4.38)	(2.97)
population density			0.001***	0.000
			(8.47)	(0.23)
_cons	8.214***	6.965***	6.467***	8.753***
	(314.34)	(135.28)	(70.59)	(209.59)

t statistics in parentheses.

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001.

#### 4.5. study on the Mechanism of Economic Effects of Intangible Cultural Heritage

As a cultural factor, intangible cultural heritage contributes to economic development by influencing regional capital accumulation, innovation level and industrial structure. Referring to Barron and Kenny's (1996) classic mediation model and Preacher & Hayes's (2008) Bootstrapping mediation test method, this paper adopts two methods to test the mechanism respectively.

##### 4.5.1. Classical Intermediary Effect Model

The specific research model is as follows:

$$\text{Lngdp} = a_1 + b_1 * \text{Intangible cultural heritage} + c_1 * \text{controls} + \text{year} + \text{pro} + \text{uit} \quad (2)$$

$$\text{Mediate} = a_2 + b_2 * \text{Intangible cultural heritage} + c_2 * \text{controls} + \text{year} + \text{pro} + \text{uit} \quad (3)$$

$$\text{Lngdp} = a + b * \text{Intangible cultural heritage} + d * \text{Mediate} + c * \text{controls} + \text{year} + \text{pro} + \text{uit} \quad (4)$$

Among them, Mediate is the intermediary variable, including foreign direct investment, innovation level and industrial structure. Other variables are the same as before. In model (2), the coefficient b1 of intangible cultural heritage represents its total effect on economic development, and in model (3), b2 represents the influence of intangible cultural heritage on regional foreign direct investment, innovation level and industrial structure. Based on theoretical analysis, we expect the coefficient to be significantly positive. Model (4) adds intermediary variables on the basis of model (2), where b represents the direct effect of intangible cultural heritage on economic development, and the coefficients of each intermediary variable represent the influence of each intermediary variable on economic development after controlling cultural variables. It is expected that such coefficients will be significantly positive.

The stepwise regression results of the intermediary effect model are shown in Table 4. Column (1) shows that intangible cultural heritage has significantly promoted economic growth, and the total effect is 0.006. Columns (2), (3) and (4) show that intangible cultural heritage has significantly improved the regional innovation ability and the transformation and upgrading of industrial structure, but it has no significant positive impact on foreign investment, and may even have a negative impact. Column (5) further verifies the intermediary effect, and intangible cultural heritage can significantly promote regional economic development by improving innovation ability and industrial structure transformation and upgrading.

**Table 4. Mediation Effect**

	(1)	(2)	(3)	(4)	(5)
	lngdp	fdi	innovation	industrial structure	lngdp
Intangible cultural heritage	0.006***	-0.000***	0.010***	0.002***	0.003***
	(18.27)	(-4.99)	(16.21)	(4.09)	(8.89)
Urbanization	0.184	-0.042	0.845**	0.319	0.166
	(1.14)	(-5.44)	(2.64)	(1.68)	(1.34)
Human capital	87.244***	0.186	129.765***	3.720	36.601***
	(29.26)	(1.28)	(21.59)	(1.04)	(12.36)
Social consumption	1.003***	0.062***	3.968***	0.515	0.460*
	(4.38)	(5.14)	(8.20)	(1.78)	(2.32)
population density	0.001***	0.000	0.001***	0.001***	0.000***
	(8.47)	(1.70)	(4.48)	(8.15)	(3.90)
fdi					0.059
					(0.10)
innovation					0.339***
					(23.17)
industrial structure					0.041***
					(0.56)
_cons	6.467***	0.021***	3.344***	0.223	5.480***
	(70.59)	(4.18)	(13.54)	(1.59)	(52.50)

**4.5.2. Bootstrapping Intermediary Effect Test Method**

This paper uses the Bootstrapping method recommended by Hayes to test the intermediary mechanism of the economic effect of intangible cultural heritage. The test results are basically the same as those obtained by the first method. Intangible cultural heritage contributes to economic development by influencing regional innovation level and industrial structure

transformation and upgrading, but the intermediary effect of capital accumulation is not significant. Hypotheses 2 and 3 are verified.

**Table 5.** bootstrap method to test the intermediary mechanism

	fdi	innovation	industrial structure
Indirect effect	-9.319	0.035***	0.008***
	(-10.55)	(4.44)	(0.24)
Direct effect	5.579**	0.679***	0.684***
	(2.65)	(40.14)	(8.91)

#### 4.6. Heterogeneity Analysis

The above conclusions show that intangible cultural heritage promotes regional economic development by improving innovation level and promoting industrial structure transformation and upgrading. Considering that the distribution characteristics of intangible cultural heritage are significantly different from the specific characteristics of the region, this part discusses the different manifestations of the economic value of intangible cultural heritage in heterogeneous regions. Referring to previous literature, this paper divides the region into three parts: west, middle and east.

**Table 6.** Heterogeneity Analysis

	West	Middle	East
	lngdp	lngdp	lngdp
Intangible cultural heritage	0.001*	0.003***	0.005***
	(2.35)	(6.44)	(8.70)
innovation	0.382***	0.196***	0.214***
	(13.79)	(7.01)	(11.71)
industrial structure	0.070***	-0.243***	-0.262***
	(2.46)	(-4.12)	(-4.95)
Urbanization	-0.272	3.960***	0.664**
	(-1.93)	(7.75)	(3.27)
Human capital	31.279***	15.876**	63.107***
	(7.56)	(3.09)	(12.14)
Social consumption	-0.310	-1.592***	-0.400
	(-1.23)	(-5.23)	(-1.32)
population density	0.001***	0.004*	0.003
	(6.93)	(2.57)	(1.26)
_cons	5.121***	4.791***	5.526***
	(31.44)	(8.05)	(22.62)

The regression results are shown in Table 6. On the whole, intangible cultural heritage has a significant positive impact on the economic development of the western, central and eastern regions. Because intangible cultural heritage, as a cultural factor, has a significant contribution to the economy, which is a fact that has been recognized by the academic community. However, in terms of the influence degree and coefficient, the economic effects of intangible cultural heritage are from big to small in the east, middle and west respectively. According to Zou Zhizhuang's test method of coefficient difference between groups, the empirical P value is 0.0000, which further proves that the regression coefficient of intangible cultural heritage is significantly different in different regions. By consulting relevant literature and materials, this paper gives a possible explanation. In well-developed cities, the economic value of intangible

cultural heritage is more significant, mainly due to the strong economic strength and investment ability, high cultural level and the innovation and entrepreneurship opportunities and market potential brought by the high population density of these provinces and cities. On the contrary, in underdeveloped areas, due to insufficient resources or low efficiency of resource allocation, intangible cultural heritage may not be transformed into sustainable economic growth momentum due to insufficient protection or agglomeration effect. Therefore, intangible cultural heritage plays a more obvious role in promoting economic growth in the eastern region.

Specifically, the innovation effect of intangible cultural heritage is distributed in a ladder shape from high to low in the east, middle and west. This echoes the spatial distribution characteristics of intangible cultural heritage. The eastern region has a solid innovation foundation and a large number of intangible cultural heritage, and the related industries of intangible cultural heritage have obvious agglomeration effect, attracting a series of investors, entrepreneurs and traditional craftsmen, thus creating an extremely active innovation atmosphere. But its industrial structure effect is more complicated. From the empirical results, intangible cultural heritage is conducive to the transformation and upgrading of industrial structure in the eastern region, but it has a negative impact on the central and western regions. Focusing on reality, due to the early start and rapid progress of economic development in the eastern region, the eastern region naturally has certain advantages over the central and western regions in terms of industrial structure transformation and upgrading. And intangible cultural heritage is only a part of the driving force of industrial structure upgrading, and industrial structure transformation is a slow process, and the effect of intangible cultural heritage in helping industrial structure transformation and upgrading in the central and western regions has not yet reached the ideal expectation.

## 5. Conclusion and Policy Suggestions

Studying the influence of intangible cultural heritage on economic development from an empirical perspective and exploring its internal mechanism and scope of action will help to understand the importance of intangible cultural heritage protection and rational development, understand the economic value of culture, provide practical evidence and empirical methods for the development of humanistic economics in the new era, and provide theoretical and practical enlightenment for the development of humanistic economy. Based on the theoretical research results of existing scholars on the economic value of culture, and according to the relevant statistical data of 31 provinces in China from 2006 to 2021, this paper classifies 3610 national intangible cultural heritages and puts them into the framework of economic development, and analyzes the contribution and specific mechanism of culture to economic development from three aspects: capital accumulation, technological innovation and industrial structure transformation and upgrading. The empirical results show that intangible cultural heritage has a significant positive effect on economic development; Intangible cultural heritage contributes to economic development by improving the level of regional innovation and accelerating the transformation and upgrading of industrial structure, and the intermediary effect between technological innovation and industrial structure is remarkable; And the role of intangible cultural heritage in promoting economic development in the eastern, central and western regions is ladder-shaped from high to low. Based on the above conclusions, the following suggestions are put forward.

First, protect and develop intangible cultural heritage scientifically and reasonably. There is a positive interaction between culture and economic development, which is embodied in the fact that intangible cultural heritage can condense inexhaustible motive force for economic and social development and become an important engine to promote regional characteristic

economic development. Similarly, economic prosperity and development can provide a solid material foundation for the development of cultural diversity in various places. On the basis of existing cultural endowments, all regions should deeply understand the unique cultural connotation and economic value of intangible cultural heritage, and realize the harmonious coexistence of traditional culture and modern economy through scientific and reasonable protection and development strategies.

Second; Strengthen the innovation and transformation of intangible cultural heritage. The advanced technology contained in intangible cultural heritage can often stimulate the innovation vitality of society and then transform it into a powerful driving force to promote the development of productive forces. Based on this, it is necessary to tap the innovative value of intangible cultural heritage. The first is to build an innovative transformation platform for intangible cultural heritage, provide opportunities for communication, cooperation and display for inheritors and traditional craftsmen, and promote the integration of intangible cultural heritage and modern science and technology. Secondly, we should encourage and support universities, scientific research institutions and other institutions to carry out innovative research on intangible cultural heritage and explore new ways of inheritance and development. Local development departments should continuously increase their support for the innovation and transformation projects of intangible cultural heritage, and promote the innovation and transformation of intangible cultural heritage through policy guidance and financial support.

Third, realize the innovative development of cultural industry. Cultural industry is an important carrier of inheriting and developing intangible cultural heritage, and it is also a key link to realize the transformation and upgrading of industrial structure. On the basis of cultivating a group of cultural industry talents, we will expand the cultural industry chain with intangible cultural heritage as the core, including cultural creativity, cultural tourism, cultural performing arts and other fields. And by integrating cultural resources, optimizing industrial structure and increasing added value of industries, the cultural industry will be promoted to a higher level. At the same time, we should strengthen the brand building of cultural industry, that is, build brands related to intangible cultural heritage with local characteristics and improve the popularity and reputation of cultural products. By strengthening brand promotion, improving product quality and expanding sales channels, the market competitiveness of regional cultural industries will be continuously enhanced.

Fourth, formulate differentiated regional development policies. Based on the current situation of the stepped distribution of intangible cultural heritage from east to west and the economic development of various regions, relevant departments should formulate differentiated regional development policies, strengthen the cooperation and exchange of intangible cultural heritage between regions, promote the sharing and complementarity of cultural resources, and realize the coordinated development of regional economy. And encourage the eastern region to give full play to its advantages in capital and technology, and support the protection and development of intangible cultural heritage in the central and western regions.

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