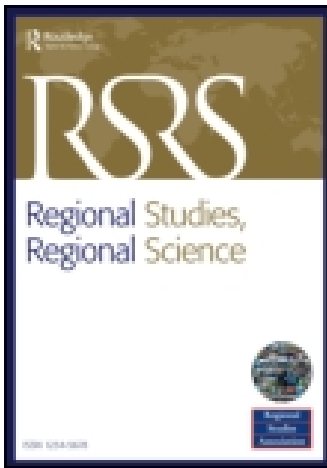


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EARLY CAREER ARTICLE

Tourism, creativity and talent: breaking Algarve's tourism lock-in

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Over the past decades creative and cultural activities have had modest opportunity to develop and grow in Algarve (Portugal) due to the tourism specialization in 'sun and sand'. The regional dynamics based in this specific tourism product created path dependencies and limited opportunities for expansion and consolidation of the cultural and creative sector. Using the model of three Ts – talent, technology, tolerance – this short article presents the relative creative potential of Algarve, and opportunities to diversify the tourism offer attracting talented people and breaking the regional economic lock-in.

Keywords: creativity; lock-in; talent; tourism

Introduction

Talent is seen as the crucial factor for growth and economic capacity. This is a commonly accepted corollary of ideas presented in regional studies. To improve the economy, places should develop, attract and retain talented creative people who can stimulate knowledge, technology and innovation. Creative people can be defined as a new emerging collective, the 'creative class' (Florida, 2002), that puts an emphasis on place quality, combining factors such as openness, diversity, street culture and environmental quality (Landry, 2008). These factors, more or less intangible, structure institutions that influence the location of creative people (Berry & Glaeser, 2005). Tourism is an economic activity with relevant potential to create internal dynamics by providing infrastructures and services that are shared by tourists and residents within a region (Comunian, Chapain, & Clifton, 2010). If tourism offers a product that attracts the creative class, it may be used to improve economic dynamics by retaining regionally members of this group. In the other hand, if a region gains the capacity of retain more talent it will bring more possibilities to improve economic performance (Denison, 1962; Glaeser, 2000; Jacobs, 1961; Schultz, 1960; Ullman, 1958). In parallel, the evolution of a particular region is a path-dependent process that is influenced, among other factors, by previous industrial specialization and agglomeration, institutional infrastructure, and normative frameworks. The path dependence can be transformed in a negative spatial lock-in, related with self-reinforcing mechanisms that increase the difficulties to new activities emerge and prosper (Martin & Sunley, 2006).

After more than 30 years when clusters and industrial districts were the focus of policy for regional development, there is growing evidence that culture-led policies and the development of a creative class can enable path change, increasing both the competitiveness and the resilience of the territories (Lazzeretti & Parrilli, 2012). A recurrent

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example of the transformation of an industrial region into a global centre of culture, arts, creativity, architecture and cuisine is the case of the Basque Country in Spain, anchored in the cities of Bilbao and San Sebastian. In the wider European context, several examples can be found, particularly in cities that used the opportunities generated by being the European City of Culture, like Oporto in Portugal (2001), Genoa in Italy (2004) or Istanbul in Turkey (2010), to reconfigure their economic specialization and make a turn towards cultural and creative activities benefitting also from the respective tourism incoming benefits.

In this article the main goal is to find the regional creative potential in Portugal, and explore the possibilities of tourism diversification to help trigger creativity. Thus the research focuses on the creative potential in a tourism destination – Algarve – by evaluating its performance in the three Ts: talent, technology and tolerance (Florida, 2002), and the possibilities for tourism product differentiation. The high levels of tolerance and the potential of new tourism products anchored in historic, monumental, ethnographic and natural resources enhance the potential to attract more creative people to the region.

The case of Algarve: presentation and research methods

In Algarve, the tourism-related activities have a very high proportion in the regional economy. The mild climate throughout the year, the natural conditions related to the sea, and the environment, heritage, gastronomy, and differentiation in key areas such as golf have given Algarve an international reputation as a significant tourism destination. Tourism is assumed as the region's economic engine, as the basis for activities that meet the highest percentages of gross value added and the employed population. Despite this importance, the future of the sector in the region has been seen with some apprehension. The Algarve has remained an attractive destination but too dependent on the binomial 'sun and sand' product, currently living an economic lock-in.

The sophistication in tourists' requirements due to changing trends in tourism worldwide but also the need, identified and assumed in existing national and regional strategies to complement 'sun and sand' are crucial to minimize seasonality and create diversification targeting specificities, i.e. for what makes the destination unique, obtaining a better position and making it more competitive.

The need for complementary tourism products to 'sun and sand' in Algarve was also made evident in the evaluation of the initiative Faro National Capital of Culture 2005 (FCNC). Within this study (Ferreira et al., 2007), a survey of visitors was carried out during FCNC events with several objectives, one being to identify the visitors' profile of these events. Table 1 summarizes key results.

The type of event in which tourists participated is an indicator of their profile. Results show that in FCNC events tourists indicated that even if their holiday routine was mainly a 'sun and sand' vacation, they were in parallel benefitting from a larger set of activities that included cultural tourism. This indicates that in the large segment of 'sun and sand' there is a subgroup of cultural consumers who wish to combine their visits for 'sun and sand' with other types of tourism products.

Although some successes in the use of creativity as a strategic linkage to enhance economic dynamics, activities based in 'sun and sand' tourism were not able to generate more value and employment in the region of Algarve. Creativity-based strategies are largely dependent on non-replicable endogenous resources and cannot be directly measured or have a simple application. Recent analysis confirmed that the creative sector in this region is nonetheless growing: the number of creative professionals has increased

Table 1. Type of tourists by type of event of the Faro National Capital of Culture 2005 (FCNC).

Type of event	Age (years, average)	Visitors with a higher degree (%)	Residence		Usual type of holiday
			Portugal (%)	Abroad (%)	
Theatre	40.9	70.3	63.6	36.4	86.2% (sun and sand) 31.0% (cultural tourism) 23.6% (routes)
Music	37.5	53.0	50.0	50.0	69.8% (sun and sand) 28.3% (cultural tourism)
Dance	43.2	76.4	38.5	61.5	65.5% (sun and sand) 16.4% (cultural tourism) 14.5% (rural tourism)
Exhibition	39.1	63.3	50.0	50.0	68.0% (sun and sand) 40.4% (cultural tourism) 14.2% (routes)
Cinema	42.0	94.7	50.0	50.0	81.0% (sun and sand) 52.4% (cultural tourism) 28.6% (sports/health)

Source: Adapted from Ferreira et al. (2007), p. 81.

between 2005 and 2008 to around 5% of the active population (European Observation Network for Territorial Development and Cohesion (ESPON), 2011). Culture, tourism and science-based activities may play a key role in the next years in the development of the creative sector in this region.

The starting point of the present study focuses on the creative potential of Portuguese regions and existent tourism resources in Algarve, to assess the possibilities of developing complementary and more creative tourism products. For the first component, measuring the creative potential of the Portuguese regions, it built a Creativity Index based on the three Ts; and for the second component it organized an inventory and performed a cluster analysis in order to understand the geography of tourism resources of Algarve.

Tourism as a driver of creativity in Algarve

Based on the work of Florida and others (Florida, 2002; Florida & Tinagli, 2004), this study built three indexes representing the capacity of Portuguese regions in terms of talent, technology and tolerance (Table 2).

The construction of the Creativity Index for the Portuguese regions followed three steps. The first consisted in the selection and collection of secondary data for the 3Ts'

Table 2. Variables used for the calculation of the Creativity Index.

Index	Sub-index	Variable
Talent	Creative Class	Percentage of the population employed in creative occupations of the total employed population
	Human Capital	Percentage of the population with qualifications at bachelor's level or higher
	Scientific Talent	Research and development (R&D) personnel in the workforce; science and technology (S&T) doctorates per thousand population (25–34 years)
Technology	Innovation	High-technology patents per million inhabitants; total number of patents per million inhabitants; percentage of enterprises with innovation activities; R&D expenditure in gross domestic product (GDP); percentage of expenditure of companies on R&D
	High Technology	Proportion of gross value added (GVA) in sectors of high- and medium-to-high-technology; proportion of GVA activities in information and communication technologies (ICTs)
	Connectivity	Households with computer ownership; households with an Internet connection; households connecting to the Internet via broadband; computer use (individuals); use of the Internet (individuals); use of mobile phone (individuals)
Tolerance	Diversity	Foreign population who requested legal resident status; degree of ethnic diversity of foreigners based in the country of origin ^a
	Integration	Proportion of marriages between Portuguese and foreigners; proportion of the foreign population with a tertiary education ^b
	Gay Tolerance	Intensity of gay-friendly places ^c

Notes: ^aPercentage of the foreign population from other countries, except for the five countries most representative.

^bEstimate based on the 2001 Census.

^cNumber of gay friendly-places (data from <http://www.portugalgay.pt>) total resident population.

Source: Cruz (2010), p. 66.

sub-indexes. The second was data transformation in order to obtain a common unit for all variables collected. Finally, the third step was the merger of all sub-indexes in order to obtain the 3Ts' indexes and the general index of creativity. Thus, and as Table 2 shows, the 3Ts' indexes are measured by sub-indexes which, in turn, are measured by one or more variables following two criteria: (1) adopted previously in the literature; and (2) the availability of statistical data in Portugal at the NUTS-II level. For each variable the index value (range 0–1) was calculated so it was possible to compare the situation of the region of analysis with other regions of Portugal. The index value for each region (I_i) is based on the comparison of the value observed in the specific region (V_i) with the minimum value for this variable in all regions (V_{\min}) weighted by the difference between the maximum (V_{\max}) and minimum observed values (V_{\min}):

$$I_i = \frac{(V_i - V_{\min})}{(V_{\max} - V_{\min})}$$

After calculating each variable index, the arithmetic mean of the variables was calculated to find each sub-index. The same operation was subsequently performed to find the 3Ts' indexes and finally the Creativity Index.

The results underline the creative potential of Algarve. The region has the second best performance in terms of creativity (Figure 1) (for more detailed results, see Appendix A). Tolerance is the key factor that explains this performance of the region

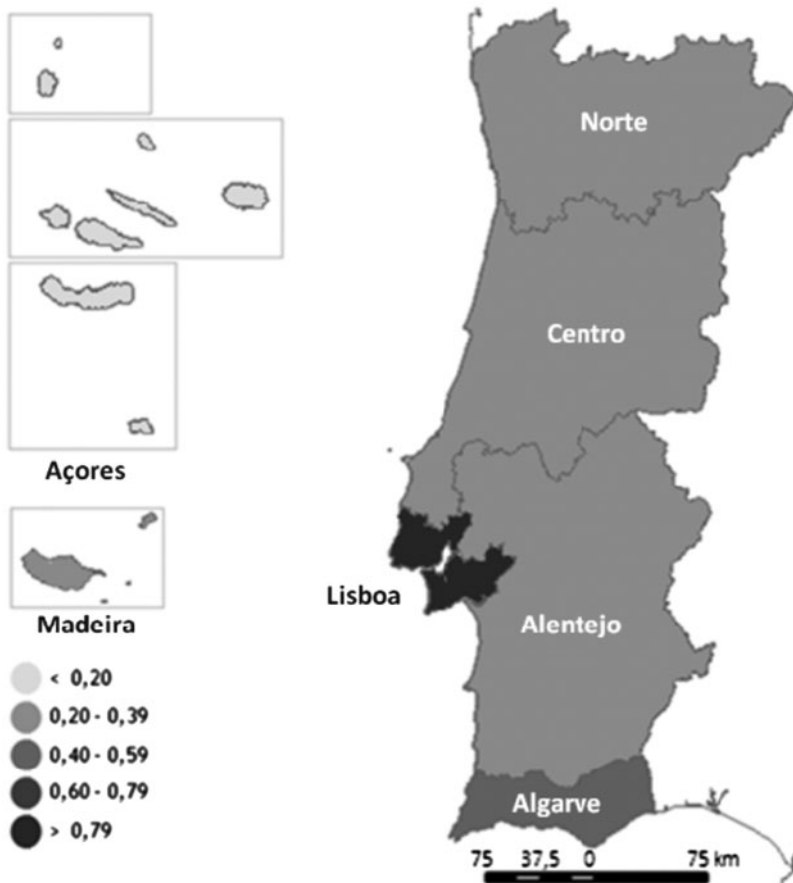


Figure 1. Creativity Index.
Source: Cruz (2010), p. 70.

and seems connected with an openness to difference and the valorization of diversity, stimulated by mass tourism with many people arriving from many places in the last decades.

This study was also concerned with tourism resources, and how they can be a force for creative tourism and contribute to, at first, attracting the creative class to the region. To explore this issue, it was made the inventory of Algarve's primary tourism resources. The results identify a total of 914 primary tourism resources throughout the region divided into three groups: Historical and Monumental (414), Natural (280), and Ethnographic and Cultural (220). Using cluster analysis, three types of areas, similar in terms of territorial intensity of tourism resources (number of resources by km^2), were defined. There is potential in two areas of strategic focus: one is coastal areas and major urban centres, linked to historical-monumental tourism; and the other is larger areas, ethnographic and natural tourism (Figure 2). Note that the type of resources present can benefit both tourists and residents, have a very important link with the type of creative class members who can draw, in the first case, the creative class in urban areas and, in the second case, the creative class in rural areas.

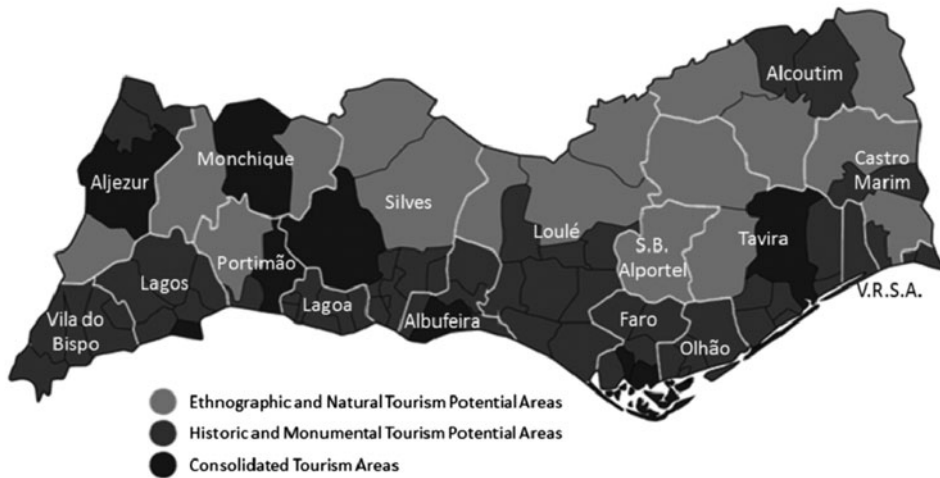


Figure 2. Tourism resource clusters in Algarve.

Source: Cruz (2010), p. 92.

Conclusions

The unique ‘sun and sand’ and the existence of distinctive amenities in Algarve created an excessive dependence on the tourism sector, shaping a structural lock-in. Today the need to diversify tourism products as well as the regional economy is a consensus. Tourism, which in recent decades has rescued Algarve from the European periphery and economic stagnation, will not continue to induce convergence towards more advanced European regions. This empirical study, motivated by this situation, verified the existing regional creative potential. Tolerance is the key dimension in Algarve and seems connected to the openness and valorization of diversity, stimulated by many people coming from many places in the last decades with mass tourism.

It is generally agreed that the success of the territories depends largely on the quality of human resources, which can be attracted, retained and mobilized for the productive sector. It is also absolutely clear that Algarve has resources that are able to attract a wide range of people. This capability has been underlined with population growth over the last decade. The region has amenities that enhance the quality of life in its cities, towns and villages. The variety of tourism resources, which goes beyond ‘sun and sand’, can be a driver for attracting new types of tourists and new residents. The existence of creative tourism is a door to attract talent that often has contact with the region for the first time as a visitor. The fact that the tourism resources benefit both residents and visitors can function as a talent-retaining mechanism. The existence of talent enhances the potential for a creative region and promotes the regional development. In sum, the research performed revealed that Algarve owns a vast range of endogenous resources offering possibilities to diversify tourism activities. This is an important opportunity for the regional dynamics, attracting different segments of tourists. This diversification of tourism activities can probably work as a way to trigger creativity. These issues should be considered in strategic planning instruments, such as the Research and Innovation Strategy for Smart Specialisation (RIS3), in order to break the tourism lock-in. The pursuit of territorial development policies based on creativity

cannot be merely the result of the will that theoretical fashions originate. Policies should be based on real creative potential in the territories and their resources.

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Appendix A

Table A1. Creativity Index and 3Ts indexes.

	Creativity Index	Talent Index	Technology Index	Tolerance Index
Portugal	0.45	0.41	0.59	0.36
Norte	0.28	0.22	0.39	0.23
Centro	0.30	0.20	0.45	0.26
Lisboa	0.81	1.00	0.97	0.46
Alentejo	0.25	0.25	0.28	0.23
Algarve	0.47	0.28	0.25	0.89
R. A. Açores	0.12	0.03	0.19	0.12
R. A. Madeira	0.27	0.17	0.31	0.34

Source: Cruz (2010), p. 122.