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Innovation and Tradition in The Valorisation of Endogenous Resources: The Case of Salt Flower in Algarve

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ABSTRACT

Innovation is a notion intrinsically related to evolution, often connected to technical change. However, innovation can have a broader scope than only the strict technological advancement. In this perspective, it is necessary to move forward with the idea that innovation is a complex process, a social construction that involves a variety of actors. The linkages between traditional/tacit knowledge and innovation play a central role for the enhancement of endogenous resources valorisation and a possible path for inducing additional regional dynamics. The Algarve region can be in this aspect an interesting case study. On one hand, the region evidenced limited resilience, suffering an economic decline due to the rising of unemployment and the reduction of certain economic activities. On the other hand, the region contains unexplored potential, especially in terms of its endogenous marine resources. This communication intends to explore the innovative characteristics of the Algarve in the maritime economy. The methodology is based in the case study of the Algarve's salt flower, a product where the region is getting a relevant presence in national and international markets. Analyzing the relationship between traditional knowledge and technological innovation the article debates traditional-based sectors as a vehicle for innovation and regional development.

1. Introduction

Algarve, located in the extreme southwest of Europe, is the most southern region of continental Portugal, embracing about 220 km of coastline. This region has maintained throughout its history, a relationship of strict complicity with the sea since the maritime expansion in the XIV century, to the more recent development of coastal tourism as a major economic activity. The sea has developed the identity and tradition within the region. It represents the past of the Algarve, continues to arrogate its importance at the present and should undoubtedly be part of the future economic development of the region.

The replacement of traditional economic sectors, such as agriculture and fishing, by the activities currently more representative, such as tourism, trade and construction, represented high opportunity costs, resulting firstly, in a change of identity with which the locals not identified with and secondly, a fragile and undiversified economy. However, the region contains unexplored potential, particularly in the maritime economy, taking as a reference a strategic combination between scientific knowledge and the traditional knowledge and human capital and distinguishing characteristics of the region. This may be the basis for the revival of a more competitive and innovative regional economy.

Innovation as a concept is intrinsically related to the change in the economy, frequently associated with the problem of technical revolution and technological progress. However, this simplistic idea that places emphasis on scientific knowledge, assumes that the knowledge does not exist in a tacit way, isolated from the knower. It is then necessary to move forward with the idea that innovation is not only based on technical progress but rather a complex process, a social construction that involves many actors. Thus, we intend to reflect on the role of tradition

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in innovative processes, and what should be its role in the regional development.

The main goal of the article is to debate the potentialities of the Algarve's region in the context of marine resources, through practices and processes that make use of the valorization of local resources and traditional accumulated knowledge representing innovative alternatives to promote the economic development of the region. We use as a case of study the production of salt flower.

2. Maritime Economy and Regional Development

The sea, as a strategic resource, has received increased attention in recent decades since government institutions are beginning to recognize this resource as a crucial element to the economic development of the regions.

These trends are present also in Portugal. In the national context, there are five strategic areas that Portugal can explore and develop through a sustainable use of the resources: tourism, environment, value-added services; cities and development and the economy of the sea. Although not all five areas are strictly economic sectors, carry with them the potential to represent the basis to the emergence of other activities for structuring the economy. Therefore, through the exploitation of maritime resources, according to a logic of integration, it is feasible to integrate a framework of modernization through a transversal inclusion of more traditional sectors and the necessary conditions to support the transition between the development model of the national economy and the development model of competitiveness.

The efforts to promote a model of regional and sustainable development should follow a strategic plan involving the region with the sea. Thus, policy should emphasize the importance of the emergence of a maritime cluster in order to achieve a better articulation that maximizes the use of synergies and contributes to the construction of a sustainable sea as a resource for the economic development of Algarve (Guerreiro, 2011).

2.1. Maritime Economy in Algarve

At a regional level, the Algarve with approximately 220 km of coastline and a historical and identity relation with the sea, takes numerous potentialities. However, the strong specialized development undertaken by the region in the past decades has resulted in the decline of the most traditional sectors of the region along with a deep asymmetric occupation of the territory (Monteiro et al., 2011). The inability to adapt traditional sectors to the market and the increasing unemployment have undermined the resilience of the region as well as its cohesion. The future development model of the region should follow new areas of activity or reform and restructure the traditional sectors in order to strengthen the capacity of adding value and competitiveness to the regional economy.

According to data from the European Commission (European Commission, 2010), the economy of the sea represents about five million jobs, and between 3-5% of EU GDP comes from economic activities related to this sector. In the search of the effectiveness of this strategic direction, the Algarve Agenda for the Sea, was prepared and pointed to the need for structural interventions in the areas of fisheries, aquaculture and salt production, as well as in recreational boating and scientific research (CCDR, 2009). This Agenda was the basis for the creation of 'Plataforma do Mar Algarve', an association for the Promotion of Knowledge and Economy of the Sea in the Algarve, which aims to take a crucial role in the dynamics of the regional cluster, through the development of the maritime cluster and the regional products internationalization. This framework aims to take a cluster logic, enjoying synergistically skills of different partners, public and private, to emerge strong and encompassing projects in the area of the sea.

Algarve's regional development must go through this process of contextualized innovation, of utilization and enhancement of its geographic location, the endogenous resources and the tacit knowledge of the region's human capital, in order to increase its economic competitiveness in a sustainable way. The economy of the sea, as mentioned, is one of the strategic resources, not only for the region, but also for the country and the European Union.

In the past decades has emerged an awareness that the management and governance of ocean and coastal areas must be addressed in a comprehensive and integrative way. The government, more aware of the importance of this sector, implemented inclusive policies that promote a sustainable development and exploitation of marine resources. Although there are numerous possibilities in this field, its manifestations are residual, making it a latent potential liable of promotion.

Portugal has followed the global mobilization for the ocean and for its promotion as a strategic vector of development. The first steps on this pathway, nationally, were given in 2006 by the creation of the National Strategy for the Sea. This strategy has now been renovated to the new strategic period 2014-2020, allowing Portugal to meet the challenges for the promotion, growth and competitiveness of the maritime economy, in particular, taking into account the significant changes in the political and strategic framework at European and global level. This policy document aims to valuing economic, social and environmental of the national maritime space through the implementation of cross-sectoral projects.

Algarve has made an effort to adapt to this reality, with measures and policies that pursue these objectives, taking the sea as one of its strategic resources. In fact, programs and plans for the regional level reveal a closer relation to this ambition, putting the sea in a crucial position. This evidence can be found in regional strategic documents such as Regional Development Strategy 2007-13 submitted to the European Commission (CCDR, 2006) and Regional Operational Programme - Algarve 21 - (CCDR, 2008), and the recent RIS3 - Research and Innovation Smart Specialization Strategy (CCDR, 2013) which distinguishes the sea as one of the key areas for regional policy intervention.

3. Innovation and Tradition

The concept of innovation has had, over the last years, a greater emphasis, entering not only in the scientific discourse, but also in the everyday vocabulary. This increasing application of the concept also arises a problem of conceptual definition and delimitation of borders and boundaries. Innovation is a term that is intrinsically linked to economic changes, and had benefited from the developments in Economics as a scientific discipline, and in this sense, within this problem is common to find the concept of innovation associated with the idea of technical change or technological advancement (Oliveira, 2008, p.5). This short section is intended to discuss this aspect of innovation and seek to corroborate the hypothesis that innovation can sometimes be separated from technological progress and be related to traditional methods or low technological intensity.

It's important to refer that the majority of the analysis related to innovation, emphasize the importance of a historical approach. First, innovation is based on temporal conjunctures about the future and secondly, the innovative capacities are developed through a complex and cumulative learning process and thus, innovation processes are constrained or facilitated by social contexts. In this way, innovation is a heterogeneous process that varies with time, industries and countries (Bruland and Mowery, 2005).

Schumpeter, one of the major references on this topic, develops five key distinctions that operate as ideal-types of innovation. Thus, innovation can refer to the creation of new products, new processes, new sources of supply, the exploitation of new markets and new organizational forms. However, Economics, as a science has focused mainly on the first two types (Oliveira, 2008). In addition to these five distinctions on which the innovation can be based, there are four major categories or domains related to the concept. Companies, institutions of science and technology, knowledge transfer and the environment or the surrounding context are areas that delimitate the field of innovative processes. Furthermore, as the Oslo Manual, these areas act as a map that reveals the properties on which policies should focus, functioning as a frame of reference in the creation of policies (OECD, 2005).

3.1. Innovation on National and Regional context

The emphasis on innovation systems has been applied mainly at the national level, although in many instances it is necessary to apply similar considerations to transnational and local level (OECD, 2005). Innovation at the European, national and regional levels operates as an integrated and inclusive logic of the needs of different circumstances. Although there is a significant effort to build integrated policies, innovation cannot and must not give generalizations due to their heterogeneous characteristics and the need to identify framework of social, cultural and economic references. According to Asheim and Gertler (2005), there are two paradoxical features of the contemporary global economy. First, innovative activity is not randomly distributed across the geographical space. In fact, the more knowledge-intensive the economic activity is, more likely to be geographically clustered. Secondly, this trend of uneven spatial concentration has accelerated with the modernization of the economy, and not the opposite. Indeed, in a world marked by global competition, in which the ability to achieve success tends to depend on the ability to produce new realities and new or improved processes, tacit knowledge is the most important basis for value creation based on innovation (Lundvall and Borrás, 2005) This is due to the easy access to explicit knowledge or subject of codification Tacit knowledge is a fundamental vector of the innovation activities geography. Tacit knowledge carries with it some difficulties in the process of sharing and transfer, especially taking into account the spatial distances (Asheim and Gertler, 2005). Tacit knowledge does not "travel" easily because their characteristics reside in the knowledge and culture of the social agents and thus, its transmission is more effective when performed between partners who already share some basic commonalities: the same language, common codes and conventions of communication and standards that have been shared by a common institutional environment (OECD, 2005). This spatial proximity is a key to the production and transfer of tacit knowledge, reinforcing the importance of the emergence of regional innovative clusters, where the transfer of tacit knowledge can be undertaken in order to increase the competitiveness of regions.

At European level there is a concern for the creation and promotion of a set of strategic guidelines that support growth and employment through restructuring the innovative and competitive capacity and the business environment, with an intervention concerned in areas of knowledge, innovation and research as propulsion engines for economic development and sustainable growth. According to the Regional Plan for Innovation of the Algarve (UAlg, 2007) in the fields of R&D and technological innovation, the Algarve is in an unfair level compared with other European regions. This condition is due to the over-specialization and exploration of sectors and economic activities with an innovation undeveloped degree, with low short and long-term returns of the entrepreneurial dynamism and a nearly nonexistent use of tangible and intangible elements associated to the technological development.

Although it is crucial to invest in technological development, it is equally important to perform an exercise in recognizing and understanding the characteristics and potential of the region and to appreciate them in their full, looking for innovative solutions to the effect, without putting the emphasis solely on technological progress. Internally the Algarve has recently assumed a greater concern for their innovation framework. The social and economic characteristics of the region have highlighted the importance and concern to maximize all opportunities arising from its geographical location and its geoeconomic integration, so as to urge the building of an extended enterprise network capable of providing significant structural adjustments in the specialization profile of the region (UAlg, 2007). The generation of effects that are representative at national and European level in the valuation processes of regional resources presupposes the existence of synergies between different local institutions.

This trend of decentralization of public policies encloses numerous meanings that vary from the demand of specific ob-

jectives for the region to the existence of regionally differentiated instruments up to regionalized power of decision. Thus, it is crucial that the Algarve is able to structure regionally a dynamic innovation system, interconnected to get more innovative and competitive dynamics. The fact that the Algarve provides structural limits to innovation can lead to conditioning the sustainability of their own development (Pinto et al., 2012).

3.2. Innovation and Modernity

The concept of traditional knowledge is used in the definition of public policies and is seen as a resource for economic development both for territories that have passed or that are starting a de-industrialization process, as for rural areas in decline (Calafati, 2006). Traditional knowledge is a complex object, which varies according to the different regions, and that does not follow a static and invariable definition. Although it is clear that traditional knowledge emerges from practices from the past, not all past practices can be considered traditional knowledge (Hilpert, 2006). Traditional knowledge is a heterogeneous process, such as innovation, which must be contextualized in space and time, but it refers to the traditional practices of a region, that has an identity and a transversal character to its residents.

Knowledge has been shown to be a critical factor for both development and for regional patterns of regionalization. The approach to innovation based on technological progress is a narrow, given that regional development is heavily based on skills and competences that are not necessarily related to technological progress (Hilpert, 2006). The regional approach should be based on a particular traditional orientation, which confers to the region unique characteristics for a specified development. The different sources of knowledge ultimately contribute to the emergence of several opportunities once they are born of a set of individual experiences that influence the cumulated traditional knowledge over the course of development of the territory. Thus, these regional structuring, characterized by different agents enhance the emergence of a knowledge that is grounded in the experiences of individual actors but at the same time is generated by regional tradition shared between them (Calafati, 2006). In this sense, the formation of networks between the actors is crucial for the determination of knowledge that meets the actual needs of the region, enhancing their local resources and the skills of its human capital. Traditional knowledge is mostly composed of tacit knowledge, in other words, knowledge that resides in the actors themselves, making it difficult to transfer. This obstacle to the transfer can confer a non-competitive character to the economy of regions that are based on this kind of knowledge. Another obstacle arises, which works in two ways, as an obstacle and as a result, are the regional specificities (Calafati, 2006). In a case such as the Algarve, where traditional knowledge is grounded in environmental characteristics and raw materials, might not exist an advantage to transfer the knowledge to another region that does not have the same characteristics of the Algarve. However, these obstacles are overcome by creating effective networks with dynamic and integrated connections between actors in order to facilitate the knowledge transfer to other regions in which it can be adapted (Hilpert, 2006). It emphasizes thus, in order to increase the innovation process and promotes it through practices that do not pass necessarily by technological progress, the creation of regional and inter-regional clusters, and later his promotion, so that synergies are fortuitous and function as a basic tool for regional economic development.

The tradition must be faced as the basic tool for regional development and not as an outdated feature that works as an obstacle to modernization. Traditional knowledge was economically superfluous for some time but regained economic value with development potential for regions with a good knowledge based on tradition (Hilpert, 2006). All innovation processes must be understood taking into account a particular social, economic and historical context. With the advent and the reliable drop on modernity, and with and increment of the social distance of origins, consumers tend to look for products that share a closer relationship with the region's identity. This consumer demand is revealing their needs and is both an engine driver for the emergence of innovative practices through the development of new products or production methods that find new markets, allowing regions a restructuration that focus on its traditional competences. The region's ability to create new consumption and production paths empowers its viability and competitiveness in global markets.

To this type of development, Hilpert (2006, p.586) describes as 'knowledge from the region' and defines it as the knowledge that emerges from the existing traditional relationships and a new logic of supply and demand in the markets. This leads to the creation of new knowledge that is generated through the encounter between tradition and new opportunities that innovation can provide. The regional capacity for integrated and fortuitous exploration between the profile of the region - its cumulated traditional knowledge, its local resources, the contexts and the human capital - and the implementation of innovative practices that pass for promotion and reuse of these factors, provide the region with a greater ability to restructure and recover from external shocks, increasing its resilience.

4. The Salt Flower in Algarve

The following section debates the specific case of the production of salt flower in the Algarve and intends to elucidate on the production process, introducing the notion of the value chain, and demonstrating that a production process with a low technological basis can effectively represent a mechanism of innovation.

4.1. Salt: Product Types and the Algarve's Relevance on the National Production

Throughout history, we can see that the humankind has maintained a strong relationship with the salt, since the Egyptians to the classical antiquity, salt had played different, but important, roles. Portugal, for its natural conditions, geographical and climatic conditions, was early a major producer of salt, represented as a strong contribution to the funds of the kingdom.

The traditional sea salt is produced in small, old-centuries Salinas, using traditional methods, which date back to the historical time in which Portugal was about Roman rule. It is a process with completely natural features, which does not undergo any processing, or use of chemical additives, using only sea water, solar energy and the traditional knowledge of local agents. The natural process of crystallization is optimized so that almost all the minerals present in the water of the sea, approximately 80, remain present in the salt. After crystallization, the salt is collected via a manual process, being sun-dried for a minimum of five days for the remaining water evaporate, thus maximizing the percentage of minerals that constitute. On the other hand, the sea salt, salt, commonly used, is collapsed in salinas by machines and is later chemically washed, centrifuged, dried, and sometimes suffers to a bleaching process. The refined salt, does not result directly from production processes that occur in salinas, being dissolved and passing again by the crystallization process subject to degrees of temperature and pressure controlled in industrial installations. Subsequently, it is dry by the heat of combustion of petroleum derivatives and additive with different chemical components. Finally, the salt flower, is the Holy Grail of all kinds referred to previously.

The flower of salt is composed with light crystals, in the form of straw, an extreme whiteness that form on the surface of small pieces of salinas, resulting in a very thin film of salt covering the said parts. This film is collected daily, with a squeegee a sampling manual instrument, requiring perfect weather conditions. Although not always has been a product marketed, has always been consumed in Portugal by *marnotos*, the saline workers. The productive time of the salt flower is typically less than that of the traditional sea salt, resulting in a smaller production, reason is a product available in small quantities and with a market price greater than all other types of salt.

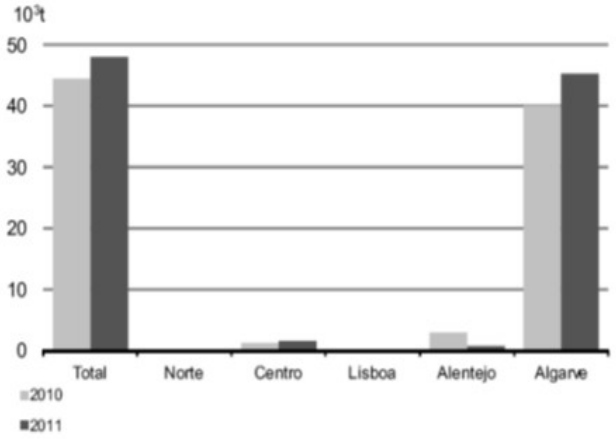
To clarify the analysis is important to distinguish the different types of salt, to contextualize the following reflection - Table 1.

Table 1: Types of Salt

Type	Process	Characteristics
Traditional Sea Salt	Traditional harvest - handmade; without chemical additives	80 kinds of minerals; Moisture and Whiteness
Normal Salt/Sea Salt	Collecting machines; Chemical wash; Centrifugation; Bleaching	Mostly composed only by sodium chloride
Refined Salt	Industrial methods (pressure and temperature control); Dissolution of sea salt; Double Crystallization	Absence of crystals; Mostly composed of sodium chloride; Other miscellaneous chemicals
Salt Flower	Daily and manual collection (rodo); Without washing.	Light crystals; Form of Plectrum; Extreme whiteness;

Source: own elaboration

Figure 1: Production of sea salt, by NUTS II 2010-2011



Source: INE, 2011

In Portugal there are five identified savory sets (salines) : Salgados de Aveiro, Figueira da Foz, Setúbal, Alcácer do Sal and Algarve. Currently, the Algarve region is responsible for the majority of the Portuguese salt production, particularly in the areas of Olhão, Tavira and Castro Marim. The salt industry is an important sector for the Portuguese economy, within the seafood area, and one of the key areas for the Algarve's economic and regional development. In 2011, the production of sea salt, in the continental Portugal, was around 48 tons (figure 1) with an increase of about 8% compared to 2010, and the Algarve was responsible for 94% of this production (INE, 2011). The average annual production of salt, per salina, is about 1200 tons, and the Algarve registered the highest productivity with 2062 tons of salt.

5. Salt Flower: A Traditional And Innovative Product

6. Methodology

The further considerations have as methodological basis technical visits to two companies (N and M) in the Algarve's region, specialized in the production of salt flower. Data was collected systematically, based on operating variables such as the degree of technological modes of production, traditional knowledge, and the value chain and market characteristics, to ensure the viability of the research.

The companies included in the study are located at Ria Formosa. Ria Formosa is a large ecosystem comprising an area of about 18,400 acres along 60 kilometers, with a maximum amplitude of about 6 kilometers. The area is considered Natural Park and is bounded in the south by the Atlantic Ocean and on the north by cropped salt and small beaches. The fact that this area be a Natural Park prevents the existence of heavy industries, contributing to the preservation of water quality and to the quality of the salt that is produced there. During the process of data collection it was not intended to analyze each company individually but notice the similarities between their production processes and its component of tacit and traditional knowledge,

Figure 2: Salt Flower cleaning process

Source: Hugo Pinto

with the aim of performing an integrated analysis of the production of salt flower in the Algarve.

Both companies have innovative features, although there are some structural differences between them. The company N, has its own salinas, and so, are the responsible for all the phases of the value chain. Company M does not have its own salinas, so buy the salt flower to other salinas from Ria Formosa. Both of the companies have a strong component of social responsibility, environmental preoccupations, sustainability and improvement, valorization of the traditional knowledge, and low industrial impact.

The industrial mechanisms are only used in the packaging process, and the technological associated is decreased as it is possible to verify in Figure 2, where is shown the cleaning process of the salt flower. This process is done manually, without using any kind of washing or chemical addition, guaranteeing the product quality and its sustainable character that work not only as the company's brand image, but also as an integral part of its mission, strategies and values. In this figure, it is reflected the innovative capacity of the company not limited to technological progress. The technology used in the factory of the company N, in the case of the production of sea salt and salt flower, is only the strictly necessary for the requirement of its production.

The company's M product is certified by companies specialized in food certification to ensure their artisanal production and its purity with regard to chemical composition. The innovative company's central feature is the creation of a prototypical processing plant, which consists of the manufacture salt flower and traditional sea salt free of impurities, complying with the legal requirements of the food industry, without transforming the particularities of this artisanal salt. The project was co-financed by the Regional Operational Programme Algarve 21, through ERDF funds of the NSRF in the scheme to promote productive innovation.

The production of salt flower assumes as an integral part, a single production process which combines tradition, seized by marnotos, with the modernity of the quality processes, management and innovation, in order to obtain a product of excellence. As mentioned the salt flower not always served the purposes of marketing, being only consumed by the workers in salinas. However, with the advent of modernity and the evolution of societies, marked by the rise and early decline of modernizers processes which tend to extend to all fields of economic and social life, ends in themselves characteristics that become revealing in this process. In the particular, it is possible to verify a structural change of consumer demand, which operates in three different directions. On the one hand, the social actors tend to seek products that take a closer relationship with the identity of the region, and consequently, with the very identity of the consumer. There is a growing trend of concern about individual health and nutrition that focuses on demand for quality assurance of the products they purchase. These two factors cohabiting in the social dynamics with a provision, which has been dissipating in recent years - the pursuit of sustainability and of products that bear a social responsibility component.

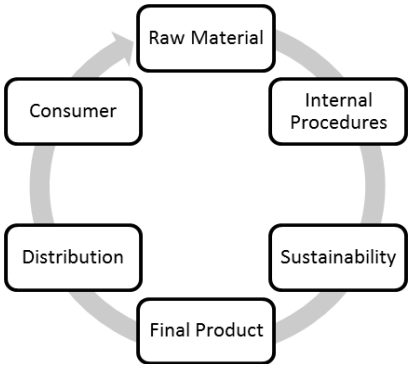
These structural changes trigger a change in the economic demand. This demand is revealing needs and is at the same time an engine thruster for the emergence of innovative practices, seeking to respond to this need that stills under-satisfied. The Algarve's salt flower is a product that aims to give this type of response, enabling the characteristics of consumer demand, through the commercialization of a new product, which maintains a relationship of identity with the region and with the social layers, produced by a small-scale process, it represents a healthier alternative than the sea salt and assumes the guarantee of preservation and environmental sustainability. The flower of salt is a product that ensures the needs of a heavily segmented market in that its consumers form a niche that characteristically holds a considerable purchasing power. However, with the spread, which tends to be increasingly widespread, characteristics and concerns referred above, this is an innovative niche, which assumes a pronounced growth trend.

The value chain of the salt flower begins with access to the raw material required for the production of the product, which founds in the Algarve the perfect weather conditions for its development. It follows a phase of internal processes involving handmade processes and traditional knowledge which leads to salt flower that is mostly distributed to consumers outside the national context, as can be seen in Figure 2. Sustainability characteristics and intrinsic tradition to this value chain will result in a product with a high cost in relation to the price which is the general purchasing power of the national population.

However, the fact of salt flower is a product disparaged in the value chain and national legislation to date complicates the marketing in the traditional version, companies need to adopt strategies that enable them to guarantee their economic sustainability. In this sense, the commercial strategy adopted by enterprises passed through to export most of the production, with the goal of obtaining notoriety and visibility in external markets and subsequently bet on winning the national market.

One of the features which is intended to develop is the importance of traditional and tacit knowledge inherent to the production process of salt flower. In fact, the process is essen-

Figure 3: Salt Flower Value Chain



Source: own elaboration

tially based on the knowledge of local actors in the region, the marnotos, which have tacitly knowledge of extraction, which gives to the salt flower the primordial characteristics, but is possible to verify a non-competitive character of the product, due to its difficulty of being subject to transfer.

The salt flower is a product that requires climatic conditions that only can be found in very specific geographical points, as is the case of Algarve, and these geographical conditions are not possible to be transferred, which puts the region as a location for excellence for the salt flower production. Finally, as in the case of geographically characteristics, the traditional knowledge of local actors required for the salt flower production, which results from the cross-sectional and identity accumulation of several sources of knowledge over time, is another of the important characteristics once it is also not subject to transfer.

7. Conclusion

Algarve's salt flower is a product that contains many particular characteristics, which make it unique and with a recognition of excellence. It is indeed a product that combines innovation and traditional knowledge in an innovative and competitive way. The innovation that arises from the combination between traditional forms of knowledge and innovative forms of management, communication and branding, as well as the restructuration of the modes of use - from merely used for the *marnotos* consumption to a gourmet and excellence product with a high market value - along with its climatic requirements, confer to the product an innovative and competitive dimension, due mostly to the specific natural and geographical characteristics needed to its production that are not liable to transfer. The relationship that the Algarve has developed throughout history with the sea represents much more than a shared identity among agents in the region. It represents the existing trend to the use and recovery of marine resources in order to boost the local economy and regional development. This willingness to reinvent the potentialities of local resources reveals an innovative trend that goes beyond technological innovation. Above all, it reveals an intrinsically innovative spirit, which functions as a latent advantage of the Algarve's region.

The flower of salt is an example of this type of innovative strategy in the region. A product that initially benefits from the tacit knowledge and traditional of the local and regional agents, combined with the modernity of the quality, management and innovation processes, introduces a competitive advantage due to the difficulty of this type of knowledge transfer. These traditional relations strengthened the emergence of 'knowledge from the region', which consequently, provoked a new logic of supply and demand in the markets, and a new regional capacity on viability and competitiveness in global markets. The generation of a new logic of demand and consequently, a new logic of supply in the markets is related with the social and historical context within it is produced. So, in this phase of postmodernity with the increment of the social distance of origins and the fade of tradition, consumers tend to demand for products that maintain a closer relation with the region's identity. This consumer demand allows regions to restructure their focus on its traditional competences. The region's ability to create new consumptions and production paths power its viability and competitiveness in global markets.

The regional capacity for integrated and fortuitous exploration between the profile of the region, its accumulated traditional knowledge accumulated, local resources, contexts and the human capital, and the implementation of innovative practices that pass for promotion and reuse of these factors, provide the region a greater ability to restructure and recover from external shocks, increasing thus its resilience.

The centralization of public policy represents often an inadequacy of instruments given the complexity of the product and the demand for particular goals for the region. Thus, it is relevant that the Algarve structures a governance logic that enables to shed into the policy instruments this complexity, in order to increase innovative and competitive capabilities, overcoming the constraints currently arising to its potential development.

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