



The Purple Economy as an Economic Strategy: Growth, Employment, and Exports in Portugal

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Abstract:

This study examines the purple economy as a cultural pillar of sustainable development in Portugal, where fragmented governance, modest investment, and weak internationalization limit potential. It hypothesizes that integrating cultural value into economic policy enhances growth, employment, and competitiveness. Using a descriptive–analytical approach with secondary data, results show that cultural and creative sectors contribute 2.5% of GDP, employ over 200,000 workers, and generate €714 million in exports. Despite reliance on secondary sources, the study highlights the need for coordinated strategies and contributes originality by applying the purple economy framework to Portugal and outlining policy implications for sustainable growth.

Keywords: Purple Economy; Cultural and Creative Industries; Sustainable Development; Portugal; Economic Policy.

JELClassification Codes: O10; Z10; L80; R10.

Introduction:

The integration of culture into economic systems has emerged as a critical factor in advancing sustainable development. Despite the recognized importance of cultural and creative sectors, many countries face persistent challenges in positioning culture as a structural pillar of their economic and social strategies. The general problematic addressed in this study lies in the underutilization of cultural potential as a driver of economic growth and social cohesion. The partial problematic concerns Portugal, where cultural and creative sectors demonstrate significant contributions to GDP, employment, and tourism, yet remain constrained by fragmented governance, modest public investment, and limited internationalization.

The general hypothesis posits that incorporating cultural value and diversity into economic policies enhances sustainable growth, social cohesion, and global competitiveness. The partial hypothesis suggests that, in the Portuguese context, adopting a coordinated national strategy for the purple economy—anchored in inter-ministerial governance and international cooperation—can amplify the sector's economic and social impacts.

The primary objective of this study is to analyze the contribution of the purple economy to Portugal's sustainable development by assessing its economic performance, structural challenges, and potential for growth. The study also seeks to highlight the importance of culture as both a productive resource and a vector for innovation, territorial identity, and international positioning.

The research is significant as it frames the purple economy not merely as a subset of cultural policy but as an integrated framework capable of aligning economic, social, and symbolic dimensions of development. Its findings provide evidence-based insights for policymakers, cultural institutions, and economic planners seeking to strengthen Portugal's cultural footprint.

Methodology and Data

A descriptive and analytical methodology was applied, using secondary data from UNESCO, the European Commission, Eurostat, Banco de Portugal, and national statistical reports. This approach allowed for both quantitative and qualitative assessment of the sector's contribution to GDP, exports, employment, and tourism, while identifying governance gaps and policy limitations.

However, the study is limited by its reliance on secondary data and descriptive methods. While these sources are authoritative and comparable at the international level, they do not allow for causal inference or in-depth microeconomic analysis. Future research could address this gap through primary data collection—such as surveys and interviews with cultural agents—or through econometric modeling that tests the

relationship between cultural investment, employment, and competitiveness across EU member states.

1. The Purple Economy: Culture as a Dimension of Sustainable Development

Culture is increasingly recognized as a central dimension of sustainable development, complementing the environmental, social, and economic pillars. Far from being confined to symbolic or artistic expression, culture shapes economic behavior, societal values, and institutional decision-making (Throsby, 2001; Guiso, Sapienza, & Zingales, 2006). This perspective has been formalized in the emerging framework of the *purple economy*, which highlights the integration of cultural value into all domains of production and consumption.

The concept first gained visibility in France in 2011, when Diversum and a group of intellectuals published a declaration in *Le Monde*, followed by the inaugural International Forum on the Purple Economy in Paris under the auspices of UNESCO, the European Parliament, and the European Commission (Diversum, 2013; UNESCO, 2011). A subsequent working group sought to refine its scope, defining the “cultural footprint” as the influence of individuals and collectives on their cultural environments (UNESCO & Diversum, 2012). While the conventional cultural sector accounts for approximately 3.3% of EU GDP (Eurostat, 2013), the purple economy extends beyond cultural industries to embed cultural values across sectors such as construction, food systems, and manufacturing.

From this vantage point, the purple economy shifts the debate from cultural policy as a niche domain to culture as a systemic economic dimension (Throsby, 2001). It emphasizes that goods and services derive value not only from material utility but also from their cultural relevance—what Sacco et al. (2014) describe as the integration of symbolic capital into economic transactions. Definitions vary, but the central principle is clear: culture is not a marginal embellishment but a structuring force for innovation, inclusivity, and competitiveness.

In practice, the purple economy has been linked to four key priorities. First, expanding social care infrastructure to reduce the unequal burden of unpaid labor, especially on women (Women’s Lobby, 2018). Second, advancing labor market regulations that support work–life balance and gender equity. Third, investing in rural infrastructure to strengthen cultural participation beyond urban centers. And fourth, reorienting macroeconomic policy to include cultural sectors as engines of inclusive growth (Hebbaz, 2023; Sayah, 2024). These priorities reflect a holistic understanding of culture as embedded in households, workplaces, and communities.

However, critical perspectives remind us that embedding culture in economic strategies is not without risks. As Harvey (2005) argues, neoliberal economic frameworks

tend to appropriate cultural and social domains, transforming them into market-driven instruments of competitiveness. Similarly, Peck (2005) critiques the celebratory discourse around the “creative class,” highlighting its uneven outcomes and tendency to reinforce existing inequalities. These warnings suggest that while the purple economy offers a holistic framework, it must be implemented cautiously to avoid reducing culture to a mere commodity.

The strategic significance of this model lies in its potential to balance cultural specificity with economic competitiveness. By embedding culture in production and consumption cycles, the purple economy can strengthen the legitimacy of goods and services, diversify economies, and create new opportunities for countries seeking to reduce dependence on extractive industries (Al-Mehmadi, 2023). Yet critics caution that such approaches risk commodifying culture if symbolic values are reduced to market metrics (Hesmondhalgh, 2013; Garnham, 2005). The challenge, therefore, is to integrate culture into sustainable development while preserving its intrinsic value.

In sum, the purple economy advances culture from the margins to the center of sustainability debates. By framing culture as a measurable resource that influences both economic activity and collective identity, it offers a framework for aligning development strategies with cultural diversity and human well-being. But realizing this potential requires policies that not only mobilize culture as an economic driver but also safeguard it as a symbolic foundation of social life.

2. The Role of Culture in the Economy: Contributions from the Cultural and Creative Sectors

Culture has increasingly moved from the margins of policy debates to the center of economic and social development strategies. No longer confined to the symbolic or artistic domain, it is now recognized as a productive resource and a catalyst for territorial innovation (Throsby, 2001; Sacco, Ferilli, & Blessi, 2014). This recognition is visible in initiatives such as the European Capitals of Culture and the UNESCO Creative Cities Network, both of which frame culture as a driver of urban regeneration, tourism, and international positioning (Pratt, 2009). Portugal followed this trend in 2023 with the creation of the Portuguese Capital of Culture, an initiative designed not as a symbolic festival but as a public policy tool to foster innovation and identity.

Despite these advances, the concept of the purple economy remains largely absent in Portuguese policy and academic discourse. While internationally it has been advanced as a model that integrates cultural value, creativity, and diversity into sustainable development (Diversum, 2013; UNESCO, 2011), Portugal continues to treat culture through fragmented logics—heritage preservation, cultural industries, and creative entrepreneurship—rather than as a systemic axis of economic development. Adopting the

purple economy lens allows for a more integrated understanding of culture's economic, social, and symbolic contributions.

Defining the Cultural and Creative Sectors

Following UNESCO (2009) and the European Commission (2021), the cultural and creative sectors encompass activities focused on the creation, production, and distribution of goods and services with cultural, artistic, or heritage content. These range from traditional fields such as heritage institutions, performing and visual arts, and publishing to contemporary creative domains including design, architecture, audiovisual media, and digital content (KEA European Affairs, 2006). Such breadth underscores what Florida (2002) calls the "creative class" economy—where symbolic value, knowledge, and innovation intersect to generate competitiveness.

Framing these sectors as an economic resource highlights both direct and indirect contributions. Directly, they generate employment, GDP, and exports; indirectly, they enhance territorial attractiveness, drive cultural tourism, and strengthen collective identity (European Commission, 2021). As Throsby (2001) emphasized, cultural goods possess "dual value"—market utility alongside cultural meaning. Howkins (2001) similarly stressed that creativity translates individual talent into intellectual property, generating wealth while shaping social systems.

Portugal's Governance Challenges

At the European level, instruments such as the Creative Europe program (€2.44 billion until 2027) provide vital support for cultural diversity, competitiveness, and cross-border cooperation (European Commission, 2021). Yet Portugal has benefited only modestly, hindered by limited technical capacity, low internationalization, and a fragmented governance structure. Responsibilities are dispersed across ministries (Culture, Economy, Territorial Cohesion, Foreign Affairs) and agencies (DGArtes, ICA, GEPAC, Turismo de Portugal, municipalities, and the Camões Institute), producing overlapping mandates and scattered funding streams.

This fragmentation mirrors what Garnham (2005) identified in the UK and Hesmondhalgh (2013) more broadly: the "creative economy" often expands in rhetoric but lacks institutional coherence, leaving practitioners underfunded and precarious. In Portugal, the Recovery and Resilience Plan (PRR) and EU structural funds (Portugal 2020, Portugal 2030) have supported cultural investment—such as digitalization of collections and infrastructure requalification—but without an integrated strategy, these remain isolated measures.

Beyond institutional fragmentation, structural issues within cultural labor further limit the sector's potential. Oakley (2009) demonstrates that creative careers are often marked by precarious contracts, unpaid internships, and barriers of class and gender, which undermine inclusivity in the cultural economy. Banks and O'Connor (2009)

similarly caution that creative economy policies frequently overstate their transformative capacity, relying on optimistic rhetoric that is not matched by material conditions. Portugal's modest participation in programs like Creative Europe illustrates this tension between discourse and practice.

By contrast, northern European countries such as the Netherlands and Finland have adopted comprehensive frameworks, providing specialized offices to assist cultural agents in accessing EU funding and building international networks (KEA, 2020). Portugal's absence of such mechanisms underscores what Pratt (2009) terms the "implementation gap" between cultural policy aspirations and operational delivery.

Analytical Synthesis

Portugal's cultural and creative sectors are recognized for their contributions to GDP, employment, and identity, yet governance dispersion undermines their potential. Without inter-ministerial coordination, national observatories, or technical support for internationalization, opportunities from programs like Creative Europe remain underutilized. The purple economy framework provides a means to overcome this fragmentation by positioning culture not as an accessory, but as a structural dimension of sustainable development.

Ultimately, as Sacco et al. (2014) argue, culture-led development succeeds only when intrinsic cultural values are preserved alongside instrumental economic functions. Portugal's challenge, then, is to balance its strong cultural assets with coherent governance and long-term investment—ensuring that culture operates as both a symbolic resource and a competitive driver in the global economy.

3. The Purple Economy in Portugal: Employment, Expenditure, and Economic Value

Portugal's cultural and creative sectors hold an important place in the national economy, reflecting the country's long historical legacy and its contemporary creative dynamism. Beyond their symbolic role, these sectors contribute significantly to employment, GDP, and tourism, confirming the dual value of culture as both an economic resource and a vector of identity (Throsby, 2001; Sacco, Ferilli, & Blessi, 2014).

Culture and Labor Markets

In 2023, the sector comprised nearly 79,000 companies and employed over 200,000 workers—around 4% of the total workforce—slightly above the EU average of 3.8% (INE, 2023; Eurostat, 2023). Wages in the sector are close to the national average, but remain far below Western European standards, underscoring persistent structural disparities. Recent data also show a 10% increase in labor costs, suggesting gradual improvements in cultural labor conditions (Trading Economics, 2023).

Table 1. Contribution of the Purple Economy to Employment in Portugal

Indicator	Value	Source
Average monthly wage	€1,497	INE (2023)
National average wage	€1,507	EURES (2023)
Western Europe average	€1,800	EURES (2023)
Number of employees	201,000 (4%)	INE (2023)
Growth in labor costs	+10%	Trading Economics (2023)

Source prepared by researchers

While these numbers highlight the importance of the cultural sector for Portuguese employment, they also reveal challenges: precarious contracts, wage stagnation, and weak bargaining power remain common (Hesmondhalgh, 2013; Garnham, 2005). Thus, Portugal illustrates both the promise and precarity of culture-led labor markets.

Culture and Consumption

Portuguese households allocate around 5% of their total expenditure to culture, nearly double the EU average (2.6%), yet per capita cultural spending is substantially lower (€1,097 vs. €1,889) due to income constraints (Eurostat, 2023; Creatives Unite, 2023). Public spending follows a similar pattern: although government expenditure on culture rose to €597 million in 2025 (0.3% of the state budget) with plans for a 50% increase by 2028, it still lags behind European standards (RTP News, 2024). At the municipal level, cultural expenditure per capita is €44, compared to €106 in Austria and €127 in the Netherlands (Eurostat, 2023).

Table 2. Cultural Expenditure in Portugal

Designation	Value	Source
Government expenditure	€597 million (0.3%)	RTP News (2024)
Household share of expenditure	5% (EU average: 2.6%)	Eurostat (2023)
Per capita expenditure	€1,097 (EU avg: €1,889)	Eurostat (2023)
Municipal expenditure per capita	€44 (EU: €106–127)	Eurostat (2023)

Source prepared by researchers

This paradox—high proportional demand but low per capita spending—demonstrates what Sacco et al. (2014) call the “structural fragility” of cultural economies in less wealthy contexts: strong cultural participation, but constrained by low wages and modest public investment.

Culture and Economic Impact

In terms of macroeconomic contribution, cultural and creative sectors generated €3.2 billion in value added in 2025, equal to 2.5% of GDP, slightly above the EU average of 2% (Portugal Global, 2024; Eurostat, 2023). Exports reached €714 million (3.5% of total), yet remain below the European benchmark of 6% (European Commission, 2023). Tourism data show that 23% of visitors travel to Portugal for cultural reasons, far below the EU average of 40–50%, reflecting the dominance of sun-and-sea tourism over cultural tourism (Turismo de Portugal, 2023; UNWTO, 2023).

Table 3. Contribution of the Purple Economy to Economic Value in Portugal

Designation	Value	Source
Addedvalue	€3.2 billion (2.5% GDP)	Portugal Global (2024); Eurostat (2023)
Exports	€714 million (3.5%)	EuropeanCommission (2023)
EU exportaverage	6%	EuropeanCommission (2023)
Tourism (cultural share)	23% (EU avg: 40–50%)	Turismo de Portugal (2023); UNWTO (2023)
Cultural firms	78,864 (14.6% total)	Banco de Portugal (2023)

Source prepared by researchers

A European comparison underscores Portugal’s mixed position. While its cultural and creative sectors contribute 2.5% of GDP—slightly above the EU average of 2%—its export share of 3.5% lags behind the EU average of 6% and is well below leaders such as the Netherlands (8%) and Sweden (8.5%) (European Commission, 2023). Similarly, cultural tourism accounts for just 23% of total arrivals, compared with 45% in Spain and 50% in France (UNWTO, 2023). These disparities illustrate Portugal’s strong domestic cultural engagement but weak global positioning, confirming the “implementation gap” described by Pratt (2009).

Analytical Synthesis

Taken together, the evidence suggests that Portugal’s purple economy is vibrant domestically but limited globally. Cultural industries provide stable employment and strong household demand, yet structural wage disparities, modest public funding, and underdeveloped exports constrain the sector’s full potential. These findings confirm Throsby’s (2001) argument that culture generates both measurable economic value and intangible symbolic capital, while also validating critiques (Hesmondhalgh, 2013; Garnham, 2005) that warn against over-reliance on culture as an economic growth engine without addressing labor precarity and investment gaps.

4. Final Discussion

The analysis presented across the three sections highlights both the opportunities and contradictions of the purple economy in Portugal. Section One established the purple economy as a theoretical framework that positions culture as a systemic dimension of sustainable development. Section Two revealed the persistence of institutional fragmentation in Portuguese cultural governance, which prevents the effective mobilization of resources and international opportunities. Section Three demonstrated that, although cultural and creative sectors perform above the EU average in terms of employment share and GDP contribution, they remain structurally weak in exports, tourism, and per capita expenditure.

Taken together, these findings illustrate a paradox: Portugal's purple economy is domestically vibrant but internationally limited. Strong cultural participation, employment, and household demand confirm Throsby's (2001) view of culture's "dual value" as both an economic and symbolic resource. At the same time, persistent governance dispersion and modest per capita investment validate critiques by Garnham (2005) and Hesmondhalgh (2013), who warn that creative economy policies often remain aspirational when not accompanied by structural reforms.

The Portuguese case also demonstrates what Pratt (2009) describes as an "implementation gap": ambitious narratives around culture and development exist, but weak institutional coordination and limited technical capacity prevent the translation of rhetoric into global competitiveness. As Sacco et al. (2014) argue, culture-led development is only effective when intrinsic values are preserved alongside instrumental economic ones—a balance that remains precarious in Portugal.

These findings resonate with broader critiques of the creative economy discourse. Mould (2018) argues that the very language of creativity has been co-opted into neoliberal policy agendas, often marginalizing non-market forms of cultural practice. Portugal's reliance on culture as a tool of competitiveness, without fully addressing governance weaknesses or labor precarity, risks reproducing this dynamic. The purple economy, therefore, should not only measure economic returns but also safeguard culture's intrinsic and social values.

Therefore, the broader contribution of this study is twofold. Conceptually, it situates the purple economy as a framework capable of reconciling economic growth with cultural identity and social cohesion. Empirically, it shows that Portugal exemplifies both the potential and the fragility of this model: success in embedding culture domestically, but shortcomings in scaling it internationally. This suggests that future research should not only measure culture's economic impacts but also evaluate governance models, internationalization strategies, and the risks of over-commodification.

Conclusion:

This study confirms the hypothesis that integrating cultural value into economic strategies strengthens both sustainable growth and social cohesion. In Portugal, cultural and creative sectors contribute significantly to GDP, employment, and domestic consumption, yet remain constrained by fragmented governance, modest investment, and limited internationalization.

Policy reforms should prioritize four areas: strengthening governance through a National Observatory for Cultural and Creative Industries; creating a Creative Export Promotion Agency to boost internationalization; introducing tax incentives and co-financing schemes for exports and digitalization; and expanding regional participation via technical support offices beyond Lisbon and Porto. By aligning with European benchmarks, Portugal can reduce structural gaps while leveraging its strong cultural base to enhance competitiveness. The purple economy thus provides a framework to reconcile economic performance with cultural identity, provided reforms prioritize efficiency, inclusivity, and international reach.

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