

The importance of Social Entrepreneurship through agriculture as a possible solution to the economic and social problems of rural areas

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Abstract

Portugal is experiencing a profound crisis, not only economically and socially. There is a trade deficit, an excess of debt not only individual and public and there is a big difference in terms of development, infrastructure and quality of life between major cities: Lisbon, Porto, Coimbra and Faro for other areas of the country .

Beyond this, the country failed to invest in the primary sector that was once the main driving force of the Portuguese economy by investing primarily in the tertiary sector and for this reason the majority of jobs in Portugal are located in urban centers.

This situation described has an impact not only economically but also socially as there is a strong rural exodus caused a delay of regional development and the aging population in this medium .

Increasingly arise theories which support the development of Portuguese agriculture and fisheries as a solution of the economic problem we are experiencing. This is also the goal of my thesis, where the study is through agriculture is possible to solve the economic and social problems in rural areas of the country. Thus, I focused on the region of São Brás de Alportel to do my study and then extrapolate the result to the other regions.

With this objective, a literature review of this thesis is based on agriculture, in its management and exploitation, it is possible to come to the conclusion that agriculture can indeed be a solution to the regional development of the country, it is necessary to a strong mobilization of all people involved in the project. In conclusion, this thesis may be important, as an alternative strategy to overcome the economic and social crisis that the country is living in particular by restoring the balance of trade, reducing unemployment, reducing the discrepancy in terms of development and job opportunities between the main cities of the country and other regions and better utilization of natural resources of the country.

Resumo

Portugal está a viver uma crise profunda, não só a nível económico como a nível social. Existe um défice da balança comercial, um excesso de endividamento não só individual como público e existe uma grande diferença em termos de desenvolvimento, infraestruturas e qualidade de vida entre as principais cidades: Lisboa, Porto, Coimbra e Faro para as restantes zonas do país.

Para além desta situação, o país deixou de apostar no sector primário que foi em tempos o principal dinamizador da economia Portuguesa, investindo principalmente no sector terciário e por este motivo a maior parte de postos de trabalho existentes em Portugal situam-se nos centros urbanos.

Esta situação descrita tem impacto não só a nível económico como também a nível social uma vez que existe um forte êxodo rural causando um atraso do desenvolvimento regional e o envelhecimento da população neste meio.

Cada vez mais surgem teorias que apoiam o desenvolvimento da agricultura e pescas Portuguesa como solução do problema económico que se assiste. Este é também o objetivo da minha tese, onde estudo se através da agricultura é possível resolver os problemas económicos e sociais dos meios rurais do país. Desta forma, foquei-me na região de São Brás de Alportel para realizar o meu estudo e depois extrapolar o resultado para as restantes regiões.

Com este objetivo, a revisão de literatura desta tese é baseada na atividade agrícola, na sua gestão e formas de exploração, sendo possível chegar á conclusão de que a agricultura pode ser de facto uma solução para o desenvolvimento regional do país, sendo para isso necessário uma forte mobilização de toda a população envolvida no projeto.

Concluindo, esta tese pode ser importante, como estratégia alternativa para superar a crise económica e social que o país está a viver nomeadamente através do reequilíbrio da balança comercial, da redução do desemprego, da redução da discrepância em termos de desenvolvimento e de oportunidades de trabalho entre as principais cidades

do país e as restantes regiões e do melhor aproveitamento dos recursos naturais do país.

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1. Introduction

1.1 Background

Economic Background

"Today Portugal is facing one of the deepest economic and financial crises in its history." This sentence is from the Secretary of State for Treasury and Finance of the Portuguese Government, Maria Luís Albuquerque, and clearly demonstrates the current economic situation in Portugal.

With the entrance to the EEC (European Economic Community) and the consequent liberalization of markets within Europe, the Portuguese economy began to focus on the services industry. The strong competition within the EEC countries in the productive sector and the lack of conditions, i.e. lack of technology, qualifications and scale of the Portuguese economy to compete with these countries, caused this sector became unattractive. Given this, the importation of goods had to increase drastically and the balance of trade became increasingly negative, creating a deficit in the Portuguese economy, yet to be solved.

On the other hand, the single currency in Europe, the Euro, became a very strong currency which led interest rates to become lower. This factor led many Portuguese citizens to borrow significant amounts of money which, at the slightest change of one of the many financial variables, such as an increase in interest rates, VAT or even the volatile price of petrol, would have a great impact on the average household. Indeed, on the first semester of 2010, on average, a Portuguese had to pay in installments 128% of the available income. (JN, 2010) This excessive indebtedness was caused by multiple reasons, the wish and the cultural importance of owing a house, as the main one. As an indicator, we shall note that 76% of the population has its own home. (DN, 2011)

The sub-prime crisis, which was based on a financial crisis occurred in 2006, with the failure of some credit institutions in the United States that yielded high-risk loans without collateral advisable, led many banks into insolvency causing a sharp drop in

stock market and because of the relationship between the U.S. and the European Union, Europe was also widely infected. This crisis, coupled with the exponential growth of other countries, the designated developing countries, led to the devaluation of the Euro and the consequent rise in interest rates.

All these factors described above allied with the also large Portuguese State Debt, the bankruptcy of two banks (BPP and BPN), its consequent bailout in a few months and the current speculation inherent to the financial markets that began to doubt the Portuguese Economy and betting on its default, caused a dramatic increase in the interest rate in which Portugal was financing its growing debt, reaching an unsustainable point and forcing Portugal to either enter into default, by not paying its creditors or asking for help by recurring to the IMF (International Monetary Fund). Knowing the consequences of a default (not only for Portugal but also for Europe, where most of the lenders were) on April of 2011, not even knowing if there was enough money to pay next month's wages to the Public Sector, Portugal finally asked for IMF help, being the third country in the European Union that asked for help right after Northern Ireland and Greece.

Trying to overcome its public debt, one of the first measures of the government was to increase some taxes. This tax increase led the Portuguese to lose purchasing power, in the recent years. With that loss, plus the higher taxes, many companies went to bankrupt which increased unemployment in the country. With the unemployment rise the number of people who couldn't pay the bank credit increased, consequently increasing the number of homes seized by those banks.

Social Background

The economic crisis experienced in Portugal also had consequences on the country's social structure. Portugal has a high unemployment rate (12.4%). This factor is in part due to the economic crisis experienced in the country but also to the fact that there are too many graduates where the supply of skilled labor is lower than the demand. In terms of unskilled labor, with the Schengen Agreement and its free circulation of people within the European Union countries, which resulted in the easy entrance and arrival of lots of immigrants, the demand for that type of work is lower than the

supply, which also leads to a decrease suffered by the level of wages offered in this area.

Due to these factors, a lot more people continue to move to the urban centers or other countries, searching for work and new life opportunities. Indeed, there was a marked rural exodus. (JN,2011)

The demographic structure of the Portuguese population, as well as most of the demographic structure of developed countries, is an aging one that coupled with the fact that the exodus of the active population to urban centers means that the discrepancy at the level of development between different regions of the country is increasingly pronounced.

On the other hand, this also means that in these less developed regions the elderly are alone and without any support and those areas, such as agriculture, are less and less explored.

1.2 Problem Statement

It is necessary to find solutions to overcome the present economic crisis in Portugal. With various studies and discussions, there is a growing consensus among Portuguese people of the need for the economy to stabilize and increase its investments in the primary sector, particularly in the agriculture in order to increase the country's production and therefore increase its GDP and equal the balance of trade. This belief is also shared by the President of Portugal, Aníbal Cavaco Silva, who said: "*The agricultural sector is perhaps the one that can most rapidly help reducing our imports and increase exports,*"(2011).

In recent years, agriculture has been forgotten and left abandoned in Portugal, due to various factors such as lack of support, the aging of rural areas population and the consequent lack of more young productive people available to work in agriculture, lack of technological resources and strong external competition in this area.

The support that farmers receive through subsidies are smaller and to change this scenario the support of the state is necessary as that is also advocated by the President of the Republic: "*...of course this requires some support from the central power (...)*

there are farmers whom, if conditions are created, are willing to build and develop the companies since there is a chance of return ". On the other hand, the population working in agriculture is old and doesn't have much theoretical knowledge , plus, young people are not willing to work in this area. It is increasingly necessary to find a way to attract young people to work, develop, reconstruct and make this, as it once was, a profitable sector, where we're able to bring people to the inner lands, give them better and more life choices and where if everything else fails, food is still available.

Regarding on the throughout of the production process ,it is necessary to rebalance the relationship between farmers, industry, distribution and set profit margins that are fair for all parties to obtain more products in the Portuguese domestic market, which is a focal point for the improvement of the Portuguese economy.(Assunção Cristas, Portuguese Minister of Agriculture, 2011)

Agriculture can help people to be self-sufficient in a time where families are increasingly impoverished and relying on aids, from family, state or private organizations, to feed themselves, mainly caused by a rising in unemployment rates, the restriction in the access to subsidies, the rise in housing rents and job insecurity (DN,2011).

The lack of opportunities in rural areas causes desertification because people will tend to go living in urban centers in search of work. This factor means that the elderly are left without family support. Many have their own terrain and with advancing age also fail to cultivate their land due to physical impossibilities.

After we have realized how important and necessary it was to focus on agriculture, identified the problems of the current agricultural situation and note that there is an openness and a will, according to the President of the Republic, by the government to provide more support for farmers, it is important to understand how is it possible to captivate young graduates and non graduates, to create an attractive, reliable and full of opportunities sector in order to use their knowledge and work force thus lowering the rate of unemployment in the country, what model and strategies must be adopted to make agriculture a profitable sector, developing and increasing wealth in rural areas,

being able to compete with foreign production and lead to social impacts as well as the reduction of both poverty and the number of elderly with no support.

Research questions:

What is the current situation of agriculture in São Brás de Alportel, an activity that was once the main means of production and wealth in the region?

How it is possible to improve the quality of life of citizens and give an economic overhaul in São Brás de Alportel through agriculture?

1.3 Motivation

Due to the economic and social crisis present in Portugal at a time where there are frequent discussions about which are the best solutions to overcome it, I think that in this context it makes sense to address this issue in order to realize the impact that the development of agriculture would have on the economy and see how is it possible through an economic solution to restructure the mentality of the population and improve the social situation of the country by reducing regional disparities, unemployment, poverty and the number of elderly without help.

My study will focus on a rural region of Portugal named São Brás de Alportel located in Algarve, the southern region of the Continental Portugal, and as a mean of comparison will also include other regions, other rural areas of Portugal. My motivation for this area is that, although Portugal has the natural resources for a profitable agriculture practice they are not used efficiently due to various factors. There is poverty and a high unemployment rate in this region, much of the population is elderly and on the other hand, although it is an area of Algarve, a famous touristic place, because it's not located on the coast and doesn't have a significant tourism revenue (unlike most of other cities/villages of the region) so this factor will not influence the economy of this region and consequently my study.

Finally, I hope that my thesis helps understanding how a country with natural resources, such as Portugal, with fertile lands and favorable climate for agriculture could leave this activity to its own destiny, to fall behind most developed or developing countries' background, knowing this activity can be the solution to improve the economic and social situation of the country and that this thesis find the answer to the questions that I have appointed.

1.4 Methodology

In order to make my study based on reliable information Statistical data was obtained from, working with INE (National Statistics Institute) in São Brás de Alportel. Based on these data I will analyze different variables referenced in the area to get some conclusions. I also contact Mr. David José Ventura Gonçalves and Mr. António Paulo Jacinto Eusebio, president of the Parish Council and Mayor of São Brás de Alportel respectively in order to deepen the knowledge gaps and different variants, as well as the habits and lifestyles of the population of São Brás de Alportel. I also got some information from IFAP (Institute for Agriculture and Fisheries Finance) from the Algarve region so I could understand the situation of the agriculture in the region. After collecting all the data considered relevant for this study, the collected data analysis was made working and transforming them into graphs so that these results could be more perceptive and easy to analyze in order to interpret them and relate them to make it possible to get some conclusions.

After analyzing the results together with all management skills that I learned during my Masters and the specific knowledge of the agricultural activity that I learned while in "field job" that played for the preparation of this thesis, I will draw some conclusions and make some suggestions about the conducted study. Finally, I will explain all limitations found when performing this study and advise future research.

2. Literature Review

This thesis focus on the hypothesis that, through agriculture, there is a solution to reduce unemployment, increase domestic production and increase support for older people. To address this issue, I will do a literature review of Social Entrepreneurship.

Although it is a concept often used nowadays, it is difficult to find a definition for social entrepreneurship that brings us to a total consensus. This happens due to the fact that people often use the concept of social entrepreneurship to describe a fact that rarely is social entrepreneurship. (Boschee and McClurg,2003).

2.1 Entrepreneurship

Social Entrepreneurship is one of several types of entrepreneurship. (Leite, 2003)

Given this fact, it is necessary to understand initially what entrepreneurship is.

In the early nineteenth century, Jean-Baptiste Say linked entrepreneurship to the idea of creating value and creating productivity, optimizing resources and economic efficiency. At the beginning of the twentieth century, Joseph Schumpeter added a new idea to the concept of entrepreneurship, innovation, where entrepreneurs are individuals who create innovative ways of exploring different production resources. To complete the definition of entrepreneurship, in the 80's, Peter Drucker introduces another idea, the opportunity, where the entrepreneur explores and exploits the different opportunities generated by several factors. Thus, there are three key ideas to describe entrepreneurship: value creation, innovation and opportunity.

Given the definition of entrepreneurship, it is necessary to realize what an entrepreneur is. For Norm Brodsky, an entrepreneur is the person who organizes, manages and assumes the risk of a business.

Richard Cantillon, an economist, said in the eighteen century that an entrepreneur is a person who undertakes and operates a new or existing enterprise or venture and assumes some accountability for the inherent risks involved, offering new or existing products or services for a reward of profit.

Jerr Boschee and Jim McClurg(2003) divide the activity of entrepreneurship by three agents: the innovators, who are the people who come up with the idea; the entrepreneurs who grab an idea, execute that idea and start a business; professional managers who manage the idea and implement it in order to become sustainable and self-sufficient. However, the same person can play the role of several agents.

2.2 Social Entrepreneurship

Social entrepreneurship is a concept that was first developed in 1980 when Ashoka company was founded by Bill Drayton to develop the social side forgotten until then (Hartigan,2004).

Nevertheless, we can find social enterprises since the 70's created in order to respond to numerous and diverse social needs that could be found in different contexts (Quintão,2004).

For Pamela Hartigan, the social entrepreneurship is marked by four phases: in 1980 with the creation of the aforementioned company Ashoka; in the 80's people's perception that there was a need to do something to narrow the gap between wealth and poverty; in 1990 with the emergence of corporate social responsibility (CSR); in the 90's with the beginning of the analysis of the impact that donations had developed in the activity.

Although there is a greater attention to social aspects nowadays, we often call it social entrepreneurship when companies find new ways to receive contributions and aid for a social cause. However, this act is nothing but an innovation and cannot be called social entrepreneurship.(Boschee and McClurg,2003)

Then the question arises: what is really social entrepreneurship?

For Professor J. Gregory Dees(1998), social entrepreneurship is divided into five factors: mission to create and sustain social value; recognize and pursue new opportunities to achieve this mission, pursue constant innovation, adaptation and seizure; act

independently not being limited by resources; display and evaluate the added value created.

Jerr Boschee and Jim McClurg(2003) come later and add a new factor: obtaining income. For them, innovation is important in a primary context but it is only possible for a business to become sustainable and self-sufficient if it is creating enough revenue by itself in order to invest again in social causes and to keep increasing its impact on the society.

A fundamental agent in social entrepreneurship are the social entrepreneurs who try to act where the state fails to, for not being able to respond to the needs of the population, and the private sector does not act by not considering it an attractive area(Hartigan,2004). To Jerr Boschee and Jim McClurg(2003) the social entrepreneur is any person in any industry that uses the profits of the business to pursue a social objective and differs from an ordinary entrepreneur in two phases: They act directly on its mission (such as providing jobs for disadvantaged people) and have a double goal: financial and social.

To start a business, social entrepreneurs create social enterprises, initiatives that incorporate or are created by people coming from exclusion and unemployment who produce goods and services to sell in the public and private market getting results that are not used for personal gain or to remunerate the capital (Estivil, Bernier, Valadouj,1997).

For Pamela Hartigan(2004), although the social entrepreneurship already presents some developments and occupies some importance in people's minds, we must further improve this activity due to the needs of the population. According to Hartigan(2004), to improve the social entrepreneurship it is necessary to reach five actors: government, business, foundations, multilateral and bilateral organizations, and academies.

2.3 Agriculture

According to the World Development Report in 2008, the agriculture sector has features that make it a unique instrument for development.

Agriculture was a very important sector for the development of some countries in a not so distant past.

However, with the development of the globalization era, agriculture has changed a lot. In Portugal, during the last 20 years the deal of agriculture products in terms of value increased exponentially, but Portugal also began to import a considerable amount of agricultural products due to the agricultural development of other countries that were influenced by the development of production technologies that allow lower costs of production, lower transportation costs and reduced trade barriers that lead to a lower final price. (Romano,2006)

According to Engel's Law, when the supply rises and demand remains constant the price of products tend to decline, and this phenomenon is exactly what happened in the Portuguese agriculture since the entrance to the EEC. With the free transit of products that come from the membership and the development of the agriculture in other countries, competition between such products has increased. With this increased competition the prices have become more competitive resulting on many farmers who would stop producing for no longer be considered a worthwhile investment (Girão,2001).

But that isn't the only reason why the Portuguese agricultural fields have been abandoned. According to the report of the Agriculture, Rural Development and Fisheries the causes of this abandonment began in the 70's when much of the agricultural population migrated in search of new and better opportunities in foreign, usually European countries. This migration followed by the industrialization of the country, which led to a higher demand for labor in the secondary sector, led to an absorption of labor, mainly recruited from the rural areas, leaving those out of that appealed strongly to the work predominantly of rural labor. (review this sentence)

According to Jose Antonio Girão (2001) the Portuguese agriculture was unable to modernize in terms of crops grown, techniques and objectives, not being able to keep up with its increased competition in the sector. In this author's opinion, the problem in

the Portuguese agriculture sector primarily lies in the production structures, which set in a traditional agriculture that originates very low levels of productivity, thus failing to create an improved trade balance and self-sufficiency of agricultural products.

Francisco Avillez argued, in 2005, that the Portuguese farms have poor structural conditions due to its very small areas that complicate the technological innovation. Large investments to purchase new machineries are required, and often the lands are too small to achieve a pay back, given the substantial investment required, since the producers are not willing to invest a capital that does not justify its production. Also according to Francisco Avillez(2009), another problem of Portuguese agriculture is that the Portuguese farmers are heavily dependent of subsidies assigned by the Government and the European Union. This dependence is not healthy for the activity because it makes them dependent, less willing to take risks and hence less competitive.

The low attractiveness of the agricultural sector now means that young people do not want to work in this sector which leads to a strong aging of the workforce in this activity (Report of the Ministry of Agriculture, Rural Development and Fisheries,2003).

An aging population in the sector not only has consequences at an economic level but also at an environmental and social LEVEL/DEGREE. Because the population keeps getting older, the lands start being less and less developed, as a consequence, the youngster have less money available in the local economy and an increasing will to leave, to relocate to the cities. By leaving, the problem only increases, population gets even older, lands less productive but also more dangerous. It is a known fact that abandoned, unexplored lands accumulate garbage and herbs increasing the likelihood of a fire. (Report of the Ministry of Agriculture, Rural Development and Fisheries, 2003).

Regarding in Portuguese agriculture, it has reduced productivity and its profitability is below of its potential. Most of Portuguese lands are smallholdings (minifundios) which prevents the efficient use of machines and consequently prevents the exploitation of economies of scale. (José Alves, 2011)

In overview, Donato Romano(2006) argues that according to the general state of agriculture with a strong competition there are two ways for farmers to gain competitive advantage, through biotechnology or through a strong quality discrimination.

In a more specific overview, the report of the Ministry of Agriculture Rural Development and Fisheries argues that, in order for Portuguese agriculture to overcome this structural problem, there is a need to encourage young people to work in this sector, rejuvenating the workforce helping to achieve the needed mentality change, increasing the innovative urge and hence, improving the means of production, the so needed technology in order to make the sector more competitive.

2.4 Cooperative

"Cooperative movements are mobilized people towards common goals". This is the definition of a cooperative by the author Bruno Jose Machado de Almeida(2005) and demonstrates the key idea of cooperative movement.

Cooperatives are formed by farmers in response to unfavorable market conditions and where members of the cooperative share the benefits and risks of producing the same products, there is also fields of interest that members take advantage if they act together, such as the bargaining power with suppliers, processing of agricultural products, building the marketing of products and ease of access to credit. The cooperatives have its own characteristics: they are formed on a voluntary basis, are controlled democratically by the members, the capital is shared equally, the cooperatives are autonomous and independent and there is provision of education, training and information, and cooperate with similar organizations to develop the involved community (Koopmans,2006).

Alliances between people with common goals allows the opportunity to gain bargaining power, making the production more profitable, the opportunity to transfer knowledge and learning at the organizational level, access to specialized assets that can transform know-how and value in the market position and has a greater purchasing power for the development of technological tools (Sarkar,2001).

The cooperative movement was born in Portugal in the nineteenth century with the creation of the Savings Bank of Lisbon, providing, in 1860, the assistance to the creation of the Central Association of Portuguese Agriculture. However, it was after the 1974 Revolution, the 25th of April, also known as the *Revolução dos Cravos*, that a strong growth in the number of cooperatives in agriculture was seen. The creation of cooperatives in agriculture facilitates access to credit by farmers, allows the improvement of product quality and allows product prices not to fluctuate as much, stabilizing and being more hence, making it easier to accurate budgets and predictions. Currently, the number of agricultural cooperatives account for 30% of all cooperatives in Portugal. However, this share has been decreasing as there are many agricultural cooperatives to close due to several factors, being the major one, mismanagement (Machado de Almeida,2005).

In the opinion of Reitse Koopmans(2004) there are some factors that can lead to failure of cooperatives such as a lack of foresight in identifying the objectives and strategies, inadequate planning, lack of experience from the administrators, lack of leadership, lack of motivation and involvement of members, lack of competent management, failure to identify and minimize risk, poor access to credit, poor communication and weak predictions. A cooperative must have a professional manager, in order to mobilize people and put them working towards a common goal, since, often, management is selected by and from the group of farmers, a lack of management skills and training, and too many mistakes and wrong decisions, are often seen and easily undermine and compromise the proper functioning of the Cooperatives, whereas with a professional manager would be less likely to happen.

2.5 Unemployment

Unemployment is a major factor in the economy of a country, since it illustrates and determines various important indicators of the economy, such as, the greater or lesser purchasing power of citizens and a better or worse standard of living.

In addition to determining the quality of life of citizens and their purchasing power, unemployment has a few more consequences, for instance, the loss of freedom and social exclusion given a financial dependence, and having to rely on family or state help, the loss of skills and long-term damage, since unemployed people eventually lose confidence and work practices; Racial and gender inequality, since there are fewer jobs when the selection criteria are sometimes based on gender and race of the individual; loss of social values and responsibility that may be caused by monetary dependence; Organizational inflexibility and technical conservatism, since there is more resistance to change (Amortya Sen, 1999).

The unemployment rate is predominantly higher in developed countries. This can be explained by the fact that capitalism predominating on developed countries puts everything that cannot submit to its logic of profit maximization on the sidelines (Hussan, 1999). Another feature of capitalism is the Social polarization, capitalism accentuates the economic gap between people with high income and people with low income (Beck, 2000)

In addition to the personal consequences caused by unemployment, already identified, this phenomenon also has other consequences such as the increased burden of social protection systems. With a rising unemployment there are more people in need of subsidies in order to maintain a minimum living standard and more money is necessary to strengthen the finances of the social protection systems (Esping-Andersen, 1996), Another consequence is the high instability of the employed population since higher unemployment rates, increases labor offer which leads to a bigger competition among labor force. With higher unemployment rates one needs to work at its best all the time in order to avoid putting his job at risk, this creates a constant stress and anxiety, a greater instability to the people employed (Sennett, 2001).

In Portugal the current unemployment rate is very high, this phenomenon is supported by an article wrote by Marinus Pires de Lima and Marta Sofia Lima(2005) who argue that the unemployment rate in Portugal is a counter-cyclical nature due to a decrease when economic activity expands and increase in periods of recession.

With rising unemployment in Portugal it is important to understand the main causes that justify it. These causes are related to: economic factors, such as the economic crisis experienced in Portugal, demographic factors, with the increase of population; technological conversion, since the technological development technology increasingly replaces labor; obsolescence of skills, since the business development processes and new production methods and new technologies require wider skills; De-industrialization, a factor that assists in Portugal with the decline of major industries that support large numbers of jobs; Deregulation labor markets, since there is an increasing insecurity in jobs and employment contracts are mostly temporary (Ganhão, 1997).

According to Jorge Caleiras(2004), societies are organized around work and production, when the job becomes precarious, becomes scarce, we witness a decrease on wages, which also affects the population stability.

This author considers that the economic crisis currently experienced, leads to the closure of several companies, many of them moving to other countries where the cost of labor and taxes payable are lower. This factor exacerbates the unemployment in Portugal and the rise in unemployment. On the other hand, undercharging the system of Government grants which leads to the rise in the value of public spending and the inability of the state gives grants to all unemployment in long-term. To combat this lack of liquidity, the government has been finding alternative ways to combat unemployment for instance, the promotion of new jobs in the third sector in the field of social economy and through the promotion of training in specific areas for the unemployed so that they improve their skills and knowledge in order to strengthen their position in the labor market.

2.6 Aging

The Portuguese population is aging as well as the majority of other European Union countries' population. Since it is a current phenomenon, it is important to understand the evolution and which factors may influence the quality of life for seniors in the country.

According to a study released by the INE (National Statistical Institute) in 2001, the rate of growth of the elderly population (more than 65 years old) was four times the one of the youngsters' population, which indicates that the population is aging in Portugal. The study found between 1960 and 2001 there was an increase of 140% of the elderly population in Portugal, which rose from 8% of the total population to 16.4%, which means that in absolute terms has increased from 708,570 to 1,702,120 and 55,1 % of population does not have any level of schooling and 81% is inactive.

According to the 2001 census, 17.5% of Portuguese families were constituted only 50.5% elderly constituted by an old and 48.1% for 2 elderly.

The study released by the INE also shows that the aging population can be seen from two perspectives: individual, with increasing life expectancy and demographically with increasing proportion of elderly in total population at the expense of the young/active population.

In recent years there have been several studies in order to try to understand what factors influence aging quality. For Anthony M. Fonseca(2005), head of the I International Congress on Aging and Quality of Life, we must pay attention to how the aging process takes place as it will influence the quality of life of elderly. The presence of a cultural context reference will determine whether old age is synonymous with added value and social prestige or social dependence and lower importance.

For the MacArthur Foundation (1984-1998), there are three conditions for quality aging: keeping a low risk of disease through a healthy lifestyle, maintaining a high physical and mental functioning, maintaining an involvement / active engagement with life.

For Castellon (2000) the indicators that mainly influence the quality of life associated with aging such as autonomy, activity, economic resources, health, housing, privacy, security, belonging to a community and personal relationships.

Between 1999 and 2004, Fonseca conducted a study with 502 retirees in order to understand the conditions that influence the adaptation to the condition of renovation. The conclusion was: marriage and family life balance; occupation of free time, well defined goals in life, involvement in leisure activities and culture, enriching social networks.

For António Fonseca(2005) participation, health and autonomy are the three factors for active aging and to achieve these three factors is necessary that strategies are defined as projects grow; modes of social participation such as volunteering; stimulate cognitive skills to avoid isolation; invest in inter-generational.

Although there is a great diversity of studies on the subject, the conclusions are generally common . An active and healthy aging and for people to have a good quality of life they need to have good lifestyle habits, active life projects and avoid loneliness by increasing their social networks.

2.7 Agricultural Management

In recent years agriculture has been gaining importance as a key sector for the economic rejuvenation of the country, but for that to happen requires a proper management. According to the report released in July 2010 by the Ministry of Agriculture, the ranks included in the agricultural sector of tradable goods priority in re-productive orientation considered necessary to increase productivity, competitiveness and growth of the Portuguese economy.

According to this report, the Portuguese producers has focused increasingly on exports of agricultural products although part because of their specificity, require some degree of processing for export which leads to higher costs. Among the countries that import agricultural products produced in Portugal stands out that Spain is the main destination of exports of the agricultural complex. Among several key success factors for the increase in exports highlights the strategies of differentiation and positioning of quality

in the international market and the use of high technical knowledge and technological innovation in Portugal.

The report released by the Ministry of Culture in July 2010 concludes that there is great potential for export for Portuguese products that have comparative advantages or have accumulated a set of technical and technological skills. In some cases, it appears that the best national production intended for the foreign market so as to obtain a recovery through higher prices and distribution channels with a portfolio of more demanding consumers.

Also according to this report, although there are financial incentives such as the FEADER (European Agricultural Fund for Rural Development) to stimulate increased production for export are tariff and nontariff barriers by the importing countries of somewhat discourage this strategy. FEADER is a fund which aims to enhance rural development policy of the European Union and to simplify its implementation.

Improved management and control including the new rural development policy for 2007-2013, which contributes to improve: the competitiveness of agriculture and forestry, environment and landscape, the quality of life in rural areas and encouraging diversification of the economy countryside, through planning and coordination with other instruments of Common Agricultural Policy (CAP): ERDF (European Regional Development Fund, ESF (European Social Fund), FC (Cohesion Fund), the European Fisheries Fund and European Investment Bank(European Legislation,2011). There is also the Rural Development Program designed to support farmers PRODER by subsidies. These subsidies are based on four priorities: competitiveness, modernization, capacity building of agricultural and forestry enterprises that support investment in the production, processing and marketing of agricultural products, in which the subsidy varies from 15% to 40% of investment, and these repayable subsidies; sustainability of rural areas, which supports agricultural activities in areas of the network nature, mountain and less favored areas; revitalization of rural areas, where investment has to be greater than 5,000 Euros and 25,000 Euros less than the support repayable between 40% and 60% of the investment, depending on the number of jobs created; knowledge and competencies towards the adoption of new products, processes and technology grants subsidizing between 25% and 75% of investment.(PRODER, 2012)

However, despite the existence of these subsidies, the amount attributed to farmers has been decreasing which has had strong impact on the Portuguese farmers, that receive in average 188 Euros per hectar (DN,2012) who are dependent on subsidies (José Alves, 2011).

Portuguese farmers receive a value of subsidies allocated by the European Union well below the average of other countries due to three factors for calculating the allocation of subsidies: the widespread application of a system of production quotas and limitations that are based on historical references that do not take into account, nor the level of agricultural development of each Member State, nor its degree of self-sufficiency, or the relative importance of their production or their need for development, weak agricultural productivity in the historical basis of which are fixed a large part of income support, the low level of CAP support for agricultural products with greater weight in the Portuguese productive.(José Alves, 2012)

For José Alves(2012), Portugal should study the case of agriculture practiced in New Zealand, which does not depend on agriculture subsidies. This factor was due to the difficulties experienced by the country's agriculture in the 80s, which led farmers to suggest the end of subsidies and implementation of a key plan to reduce debt, create a financial stabilization fund for farmers and funding 50% of the expenses of farmers who were in difficulty, with the private banking. The absence of subsidies forced farmers to suits most innovative in their methods of cultivation, forcing them to unite in groups and cooperatives sector unique, leading also to the production structure adjustment in the face of market liberalization.

According to Edson Talamini and Eugenio Avila Pedrozo (2003), competitiveness in the agricultural sector has been increasing in recent years and is necessary to adopt cooperative strategies among producers in order to obtain advantages in production and economies of scale or economies of scope where by the same factor production is possible to generate different products.

According to the author Manuel Ovelheiro (2005) the characteristics of farms are decisive in the choice of the type of activity to develop, this to avoid the waste of resources, which happens with some frequency in the Portuguese plantations on the

other hand the size of the agricultural holding has also impact on the viability economic holdings and the ability to generate quantities of products that satisfy a demand increasingly concentrated.

With the increasing competitiveness in the sector is also essential to obtain maximum information and education about the agricultural activities in order to know and follow the evolution of reality at this level, which leads to an openness to change and this also implies an evolving technology sector.(Manuel Ovelheiro,2005)

On the other hand, increased competition means that the price of the products fall, forcing farmers to resort to strategies to reduce production costs as the increase in average productivity, animal breeding, the modernization of buildings and equipment or computerized systems to ensure the viability of the systems, however, these strategies involve an investment that is important for an efficient use of financial incentives and support existing community which requires a permanent knowledge of existing policies, its evolution and commitments assumed. (Manuel Ovelheiro,2005)

There are also problems identified in the Portuguese agricultural activity, and their marketing , however this issue can be overcome if the quantity produced to justify the investment in structures, packaging and distribution or otherwise making an effort to focus the provision of several producers of collective structures reinforcing the concept of cooperative. Another issue is the fact that the Portuguese products do not focus on a specific market segment, and sometimes to gain advantage in this market you must choose this specialization to offer quality products for a niche market with special needs. (Manuel Ovelheiro,2005)

3. METHODOLOGY AND DATA COLLECTION

3.1 RESEARCH APPROACH AND METHODS

To make this study possible I contacted directly with an official of the INE (National Institute of Statistics) to collect all the statistics considered relevant to the study published on the website and the data stored in the library of INE in Faro.

Mr. David José Ventura Gonçalves and Mr. António Paulo Jacinto Eusebio, president of the Parish Council and Mayor of São Brás de Alportel respectively, were contacted in

order to collect relevant data about the region and try to understand the demographic and agricultural context in region.

I made also contacts in IFAP (Institute for Agriculture and Fisheries Finance) from the Algarve region where met with Mr. Florentino Valente, head of the division of studies programming in order to gather data on the agricultural situation in the region.

After these contacts I was able to collect demographic information and relevant unemployment and agricultural data for my research, but I could not be more specific about the number of derelict or are not operated or the number of elderly people living without any family support in the parish of São Brás de Aportel, due to lack of information collected in the area and because none of the contacted institutions were available. Although I find that this information would be important to my study, I will restrict my analysis to the information available.

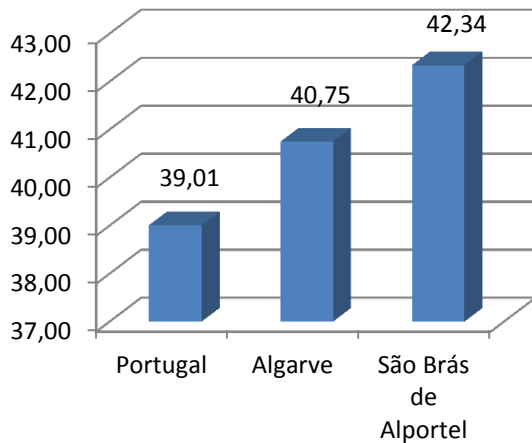
3.2 Population and Sample Selection

My study was based on the entire population of São Brás de Alportel, in order to understand the characteristics of the population by focusing on relevant information to me in my study that is with an emphasis on young people and the elderly. I also gathered information about the agricultural situation in the Algarve region and agricultural practices in the same region. The data refer to 2009 as the date of the annual collection of information from 2011 had not been published by the INE.

3.3 DATA COLLECTION

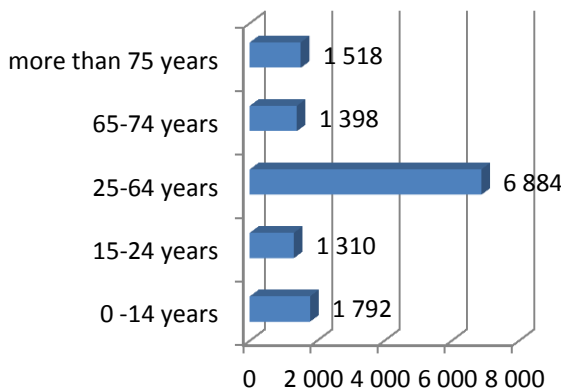
	Population density hab/km2	Rate of increase	Crude birth rate	Crude death rate	Aging index	Longevity index	Families (No.) by Place of residence	Inhabitants
São Brás de Alportel	84,1	2,61	8,9	11,1	162,7	52,1	4303	12 902

Table 1- Demographic indicators of São Brás de Alportel



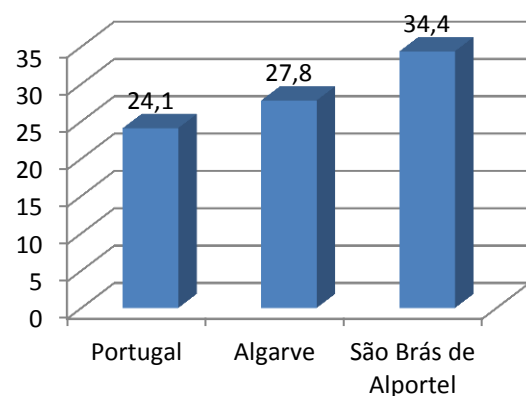
São Brás de Alportel has a population average age somewhat raised. This average is higher than the national average and even superior to the average of the region.

Graph 1- Average Age of resident population by Place of residence



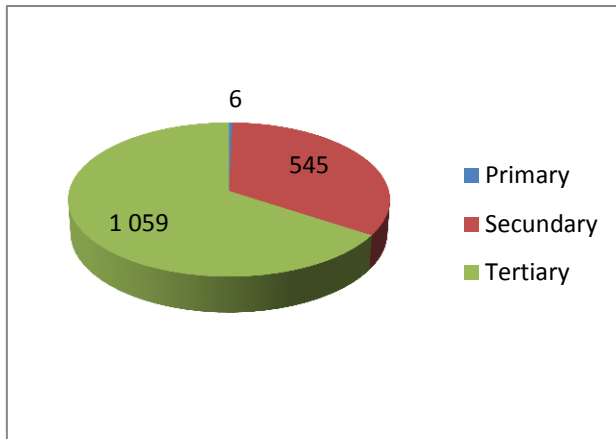
About half the population living in São Brás de Alportel is on working age, and the number of elderly population is significant.

Graph 2- Demographic Pyramid of population in São Brás de Alportel



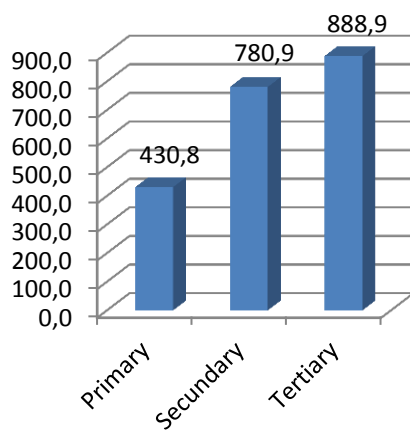
São Brás de Alportel presents an index of relatively high dependence of the elderly compared with the same national or regional index. This means that there is a significant number of elderly people compared with the active population of the region. This factor shows that the population of São Brás de Alportel is aging.

Graph 3- Elderly dependency ratio (No.) by Place of residence



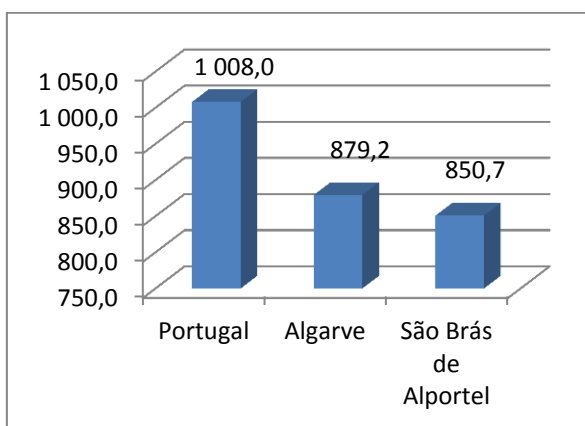
Graph 4-Employees in establishments according to sector of main activity in São Brás de Alportel

Most workers in establishments of São Brás de Alportel working in activities related to the tertiary sector, in other words, activities related with the services. On the other hand, there are only six employees who work in the primary sector since most of the activities related to this sector are carried only by



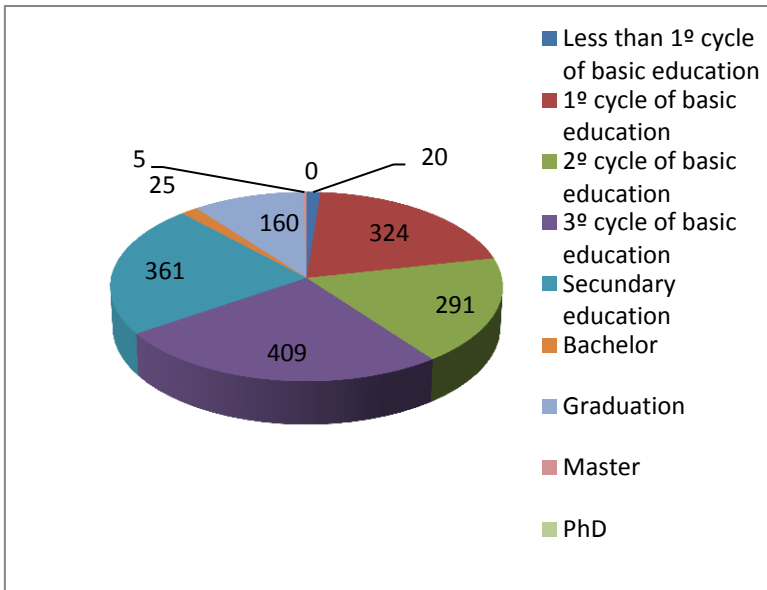
Graph 5 - Mean monthly earning of employees in establishments in São Brás de Alportel

Employees working in the tertiary sector in São Brás de Alportel receive an average salary, slightly higher than the employees of the secondary sector. However there is a large difference in wages between the primary sector and tertiary sector, where the tertiary sector employees receive almost twice as many employees working in the primary sector.



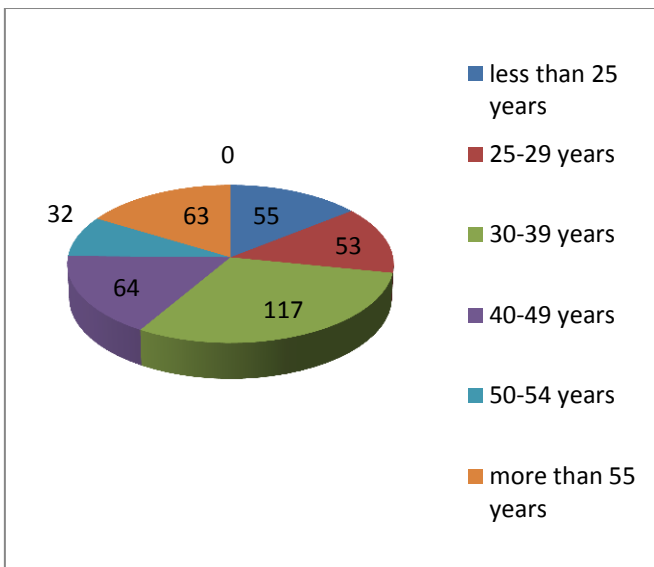
Graph 6- Average monthly earning

In terms of average monthly earning, employees in São Brás de Alportel receive in average 850 Euros per month, value that is slightly inferior to the average salaries of workers in the Algarve region and substantially inferior to the national average.



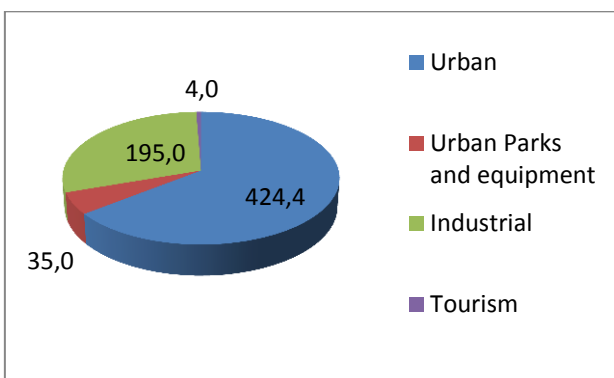
Most employees in São Brás de Alportel have a degree less than secondary education, and most have completed the 9th grade. There are few employees with higher educational background.

Graph 7- Employees in establishments according to education level in São Brás de Alportel



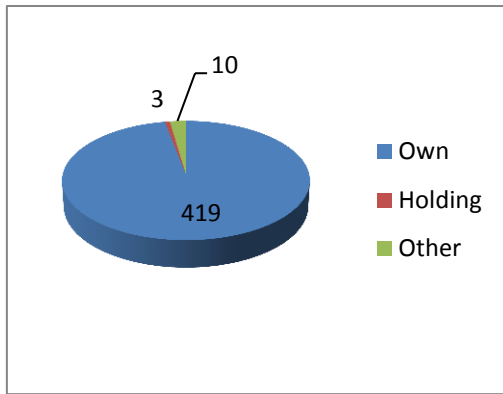
Through the graph is possible to observe that the age group that has most benefits from the unemployment is the range between 30 and 39 years. The younger age groups are also a significant number of people benefiting from this subsidy. It is also possible to conclude that the majority of beneficiaries of unemployment benefits in São Brás de Alportel has less than 39

Graph 8- Recipients of unemployment benefits of Social Security according to age in São Brás de Alportel



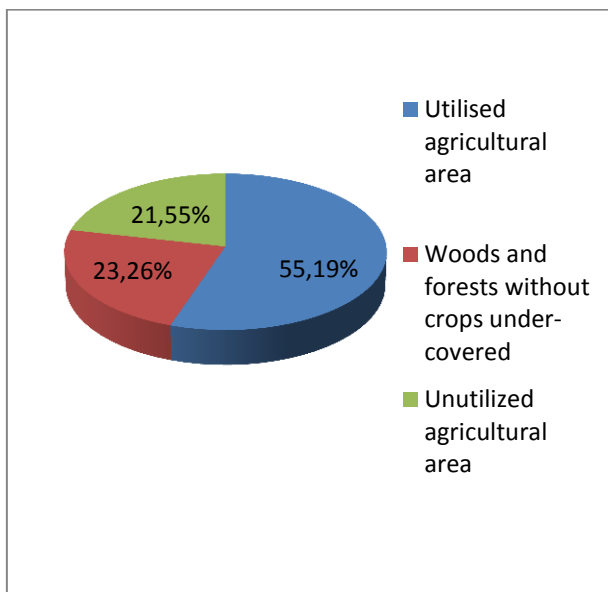
How is it possible to observe that the use of land in São Bras de Alportel are mostly intended for urban exploration, but the use for industrial purpose also occupies an important proportion of total land?

Graph 9- Use of lands(ha) in São Brás de Alportel



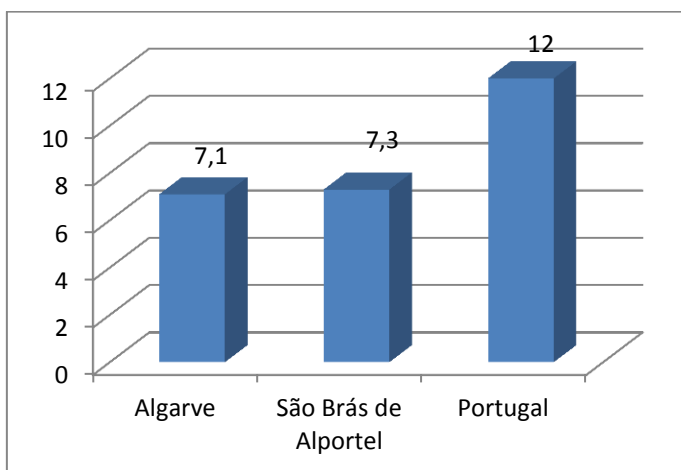
Graph 10 -Form of agricultural exploitation in São Brás de Alportel

Through this graph it is possible to conclude that the majority of agricultural exploitation is via their own, this means that the actual land owners exploit their own land.



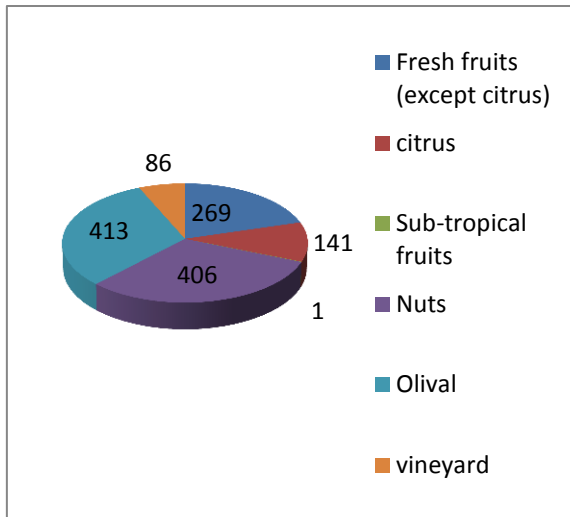
Graph 13 - Type of land use in São Brás de Alportel

About half of the lands of São Brás de Alportel are used for agriculture. It is also possible to observe that a considerable number of land are abandoned (about one quarter). There are also a considerable number of forest lands and forests that are not covered sub-cultures.



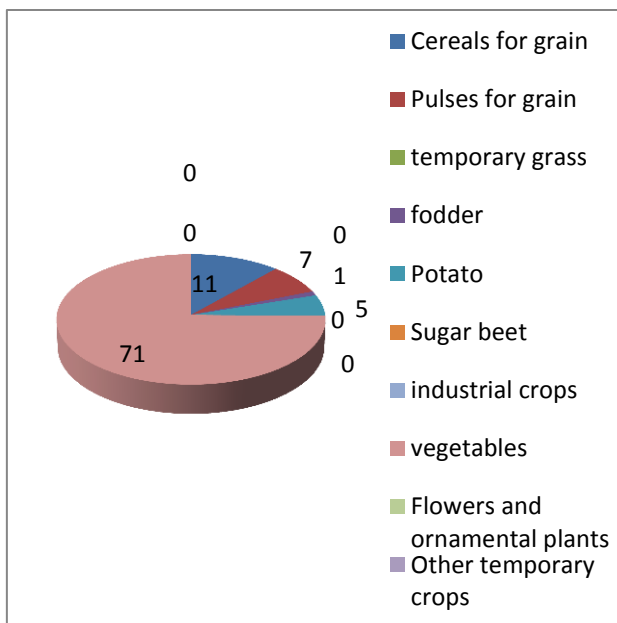
Graph 16- Average utilized agricultural area per holding (ha) by Geographic localiz

In terms of average size of agricultural holdings, land of São Brás de Alportel are slightly higher than the average land of the Algarve region, but otherwise have dimensions very inferior to the average size of agricultural holdings in the country.



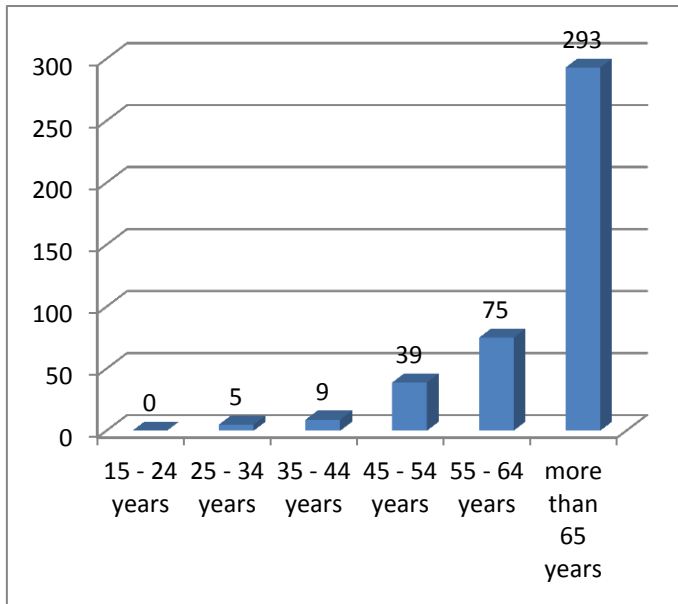
Graph 11 - Type of Permanent crops grown in São Brás de Alportel

The permanent crops more produced in agricultural fields in São Brás de Alportel are predominantly Olival then the nuts are the second permanent crop more produced and fresh fruit (except citrus) are the third permanent crop more produced in the region. Moreover, the planting of sub-tropical fruit is very low due to the complexity of conditions must be met in order for these fruits to be grown successfully.



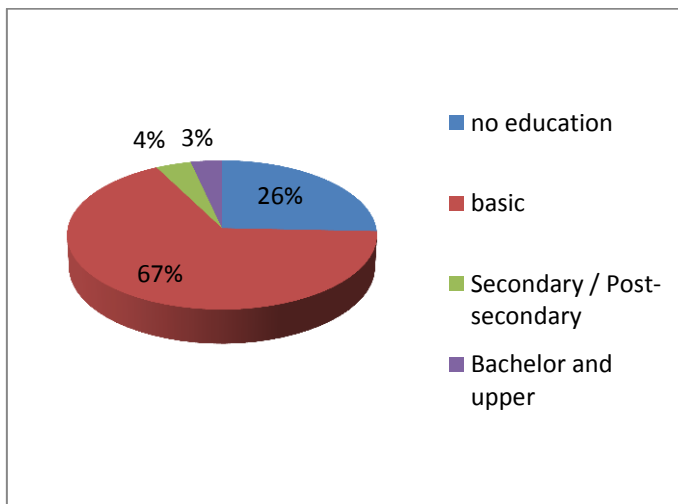
Graph 12- Type of temporary crops grown in São Brás de Alportel

The temporary crops mostly produced in agricultural fields in São Brás de Alportel are the vegetables. In fact, this kind of temporary crop is almost the unique temporary crops produced in the area. Cereals for grain, pulses for grain and potato are the other temporary crops produced in the fields.



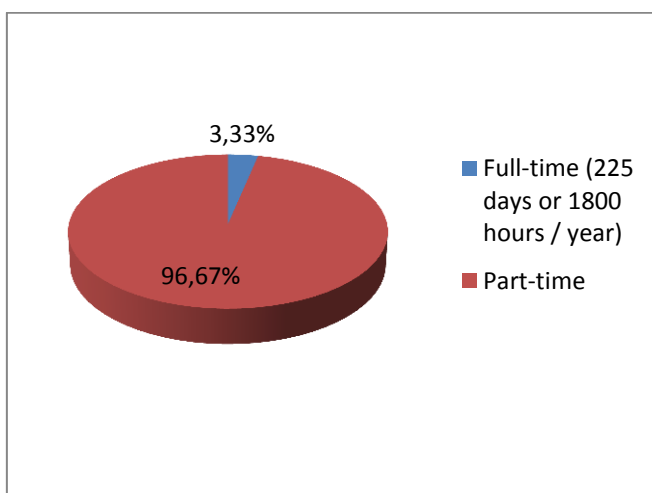
As seen, most farmers in São Brás de Alportel have an advanced age. Most of these farmers are even considered elderly (over 65), and the second age group with the largest number of farmers is between 55 and 64. On the other hand, there's a rare existence of young people in this business, and there are no farmers with less than 24 years and only five farmers aged between 24 and 35 years.

Graph 14 - Age of farmers in São Brás de Alportel



In terms of education, most farmers in São Brás de Alportel have only basic education, with 67%. The percentage of farmers who do not have any kind of education also have significant values, with 26%. The percentage of farmers with higher education is very low, with only 3%.

Graph 15- Level of education of farmers (in percent) in São Brás de Alportel



Most farmers in São Brás de Alportel regard agriculture as a hobby or a second activity, this means, farmers dedicated to this activity in part-time. Only a minimal percentage of farmers (about 3%) are engaged in this activity to full-time, meaning farmers work in this activity 225 days or 1800 hours per year.

Graph 17- Time farming on the farm (%) in São Brás de Alportel

4. RESULTS ANALYSIS

To obtain an understanding of the present situation of agriculture in San Blas were collected some data analyzing step in order to get an answer to the first question of research.

As it is possible to conclude, São Brás de Alportel is a small town with about 13,000 inhabitants and 4,300 households. Its population is relatively aged with a mean age of 42 years, mean that it is superior to the national average and that will mean the Algarve region. This can be explained by lack of opportunity and high unemployment in the younger age group which means that young people seek work in other cities, usually urban centers, with more opportunities. To support this, it can be seen from the graph number 2 that a fifth of the population of São Brás de Alportel is considered elderly (over 65) and a tenth has over 75 years this percentage also represents the number of children (less than 14 years) of the population and about half the population is in active age (between 25 and 64). This combination of factors leads to São Brás de Alportel submits a dependency ratio of elderly very high at about 32%, this means that for every 100 inhabitants, 32 are elderly, which amount is big and higher than the national average and regional levels.

In terms of sectors of activity that will give employability population, São Brás de Alportel is predominantly dominated by the tertiary sector, the sector directly connected to the provision of services and trade, which companies that operate in this sector employ about 1,100 workers in the region. The secondary sector, sector-related to processing industries employs around 550 workers in São Brás de Alportel, about half of workers who work in the tertiary sector. Finally, the primary sector activities related to fishing and agriculture employs only six workers, this is because although the parish of São Brás de Alportel is directly linked to agriculture, work in this type of activity in the region is played in most of the time by the owner of the farm, that is, are the owner of the farm or direct relatives that work in the field and because of that is not require workers for this task. In terms of average wages, the workers of São Brás de Alportel earn less than the national average wage, the workers who work in the tertiary sector receive on average 890 Euros per month, higher than the 790 Euros that the

workers that work on secondary sector receive on average and much higher than the wages of workers who operate in the primary sector who receive around 430 euros, value that is approximate of the value of the minimum wage. These values can be explained by the fact that most workers do not have higher qualifications which means that the manpower is not qualified and secondly there is the presence of many companies with a solid position in the market that typically pay higher wages for their workers in the region.

Mostly employees who exercise their profession to employers in Sao Brás de Alportel has an educational level lower than the third cycle, equivalent to ninth grade. A quarter of workers has the third cycle, about one fifth the first cycle, equivalent to the fourth grade and one fifth have secondary education. Only 25 workers have a bachelor and 20 a degree. Among the workers who work for bosses, 160 do not have any kind of teaching which represents about 10% of workers. This level of education of workers can be explained by the fact that there are not many companies that require skilled labor and the need to have employees with expertise in technical areas in the region. Another factor that helps explain this situation is the fact that the population of São Brás de Alportel is an aging population, even most of the active population is already at an age above 35 years, so the need and importance of specializing and take a degree was not seen in the same way today as well as access to education is now easier, through scholarships and support provided by the state, than a few years ago. However this factor does not allow companies to have skilled labor which could mean an obstacle in their development since the knowledge and performance of workers is not in its highest expression. Moreover, this factor is also not encouraging for companies that require specialized skilled labor to settle in São Brás de Alportel.

In terms of unemployment, there are 384 people in São Bras receiving the unemployment benefits granted by social security. About a third of these beneficiaries are aged between 30 and 39 years. The second track age with the largest number of beneficiaries is 40 to 49 years with 64 people. There are 63 subsidiaries that are unemployed over 55 years. For these data it is clear that two thirds of the recipients of unemployment benefits granted by social security has more than 30 years, which means that one third of the subsidiary is less than 30 years and this represents a significant value of the number of subsidiary young people. To obtain this allowance

employees must have worked previously for a minimum period of nine months by discounting for social security, so a high number of subsidiary means that these young labor have worked and for some reason were dismissed or their contracts were not renewed, which on one hand may mean that the workers' performance was not the desired or that due to the economic crisis we are witnessing more and more companies cut costs by getting staff costs having less and less demand for labor.

In terms of utility of land in São Brás, 424 hectares which represents about two-thirds the size of the parish is urban purposes such as buildings, facilities and roads. For the industrial area are set 195 hectares which represents a major share of land use. This part of the industrial area is represented by all factories and companies related to different types of business and land allocated to agriculture. For this distribution it is concluded that São Brás is an industrial parish, investment in tourism is not considered a priority, where people live and work with little room for leisure.

In the case of land for industrial purposes and more specifically in agriculture, São Brás has 432 farms that mostly (419) are operated by the owners, three of them are leased and 10 are operated through other forms such as cooperatives. This statistic shows that there are not many rent of agricultural land in the region that can be explained by the lack of feasibility and cost overruns in the case of a farm land rent. On the other hand is also shown that cooperatives and other forms of exploitation have little impact and are responsible for a reduced share of farming in the region. The average size of each farm is 7.3 hectares which indicate medium-sized farms, with an average slightly above the regional average but quite inferior to the average size of holdings national. Since it is more feasible and profitable for the practice of agricultural activities that have large holdings in order to reduce costs and achieve economies of scale as well, and can increase production and diversify products this is one aspect that could be exceeded in the case for producers to organize themselves into cooperatives and explore, but as already referenced this is not a very common strategy in the region. Due to the specific climate and soil fertility because it is a mountainous area which is wind and has a mild climate, there are certain products that are not possible planting on farms of São Brás. Also due to this factor coupled with the fact that there is a lack of interest in activity and the aging population there is a considerable number of derelict land in the parish (about 22% of total agricultural land). In relation to the plantations, shows clearly that

the products that best fit the characteristics of climate and terrain in Sao Bras are the nuts, olive groves and fresh fruit (citrus except) in permanent crops and especially vegetables in temporary culture.

The farmers of São Brás are workers that mostly have more than 65 years and the second most represented age group is between 55 and 64 years, mostly of these workers' level of education is primary education, there is also a considerable number of farmers without any schooling, and on the other hand only 3% have higher education which means expertise in the activity. Vast majority of farmers dedicated to this activity in part-time, taking another job. These data can be explained by the fact that agriculture has become an activity with little support, little viable, non-profitable and that requires hard work, so the younger population seeking work in others activities. On the other hand older people who have always worked in this activity because it has no knowledge in other activity continued to work in agriculture. Because it is less profitable and viable in the majority of farmers do not engage in this activity full-time, and the need to have other work to ensure a decent wage, there are also farmers who have a full-time job and dedicated to agriculture by hobby or because they are owners of an agricultural holding.

5. Conclusions and Suggestions

The opinion of many economists as well as the opinion of the President of Portugal, Anibal Cavaco Silva, is that to overcome the crisis, Portugal should focus on the primary sector and more specifically in agriculture and fisheries in order to revitalize its economy.

São Brás de Alportel is a parish that provides good conditions to the practice of agriculture, however the activity that dominates the economy of the parish are the activities related to the providing services in the detriment of agriculture that has been abandoned. This trend is furthermore common to several regions have increasingly lands derelict. Thus, after analysis of the data presented, it is important to re-focus on the first research question posed and trying to understand what led to the current state of agriculture in São Brás and what is happening with the population.

Due to it being a small village and not take advantage of its main resources (land to practice agriculture) there are no employment opportunities for all citizens of the parish, therefore there is an increasing exodus of the labor force in search job opportunities in other urban centers. This situation originates that the population of the parish is getting aged and there isn't a renewal of generations which has social negative consequences like the fact that the outflow of young people that cause of elderly people who remain in the region become abandoned, the fact that the agricultural land that have not been abandoned are largely operated by individual farmers who do not take advantage of features in its fullness and are as individual producers with low production has little room for negotiation with the buyers and due to the young workforce isn't interested in the agricultural activity, there are more and more derelict lands.

Then, it is possible to conclude that is important to study an economic solution that will have impact also on social aspects in order to overcome these problems like unemployment, exodus, loneliness of the elderly and agricultural reuse, being that solution the goal of this thesis.

In the opinion of Mr. Florentino Valente, Head of studies division of the Regional Agriculture and Fisheries of the Algarve, the Portuguese agriculture has increasingly been abandoned because it is no longer profitable. This factor was caused by several factors such as poor use of subsidies allocated by IFAP (Finance Institute of Agriculture and Fisheries) by farmers, in order the subsidies have not invested in key areas such as technological evolution, the development of skills and knowledge or improving the production process; the changing habits of the population began to purchase agricultural products in large surfaces at the expense of typical grocery which led to increased market share of large retail groups in this activity, dominated by five groups led by Jeronimo Martins Group, who thus gain a great bargaining power with suppliers and can decide the "market rules", which means that if providers are not sold at a price that these groups are available to pay their boycott the production of these suppliers that could mean their bankruptcy; the foreign competition have increased, more particularly with products from Spain that with genetic modification of seeds began to produce a greater diversity of products and although sometimes had lower quality but their prices are lower due to production in large scale; another cause was the fire that

did burn much of the land of Serra in São Brás de Alportel in 2005 that caused prejudice to many farmers and made a considerable area of land barren in the short term ;the lack of supply markets in the region, since there is only a regional wholesale market located in Estoi, most of the production has to be transported to Lisbon, where there are more markets in order to be sold; the mismanagement of the cooperatives, since they were not run by professional managers but by farmers who belong to the cooperative which causes the management is not efficient and leads to several cooperative closure, and currently there is only one cooperative work in the region and the lack of alternative strategies, in case of the intern market don't consume the products, like exportation. So the short answer to the first research question is that agriculture in São Brás is becoming less practiced, there are increasingly derelict land, the workers of this business are mostly elderly, and young people are not motivated to invest in this branch activity. This attached to the fact that São Brás de Alportel be a municipality with propitious enough resources to agriculture and be undergoing a social and economic crisis it is important to find a plan to overcome this problem and thus be possible to answer the second question research of this thesis.

For any project to be successful, this is, that can cause an economic restructuring in São Brás de Alportel, it is necessary that most people share the same point of view in order to make the region an attractive place for young people reside in a region with high production and profit, resulting in the growth of regional businesses and therefore reducing the unemployment, making the region attractive to young people in early career, being this the key point to start the economic restructuring of the village. For this happens it is necessary that people are willing to change what sometimes in areas with an aging population is not always easy.

My suggestion, to improve the quality of life and overcome the economic crisis and social crisis in the region, is the creation of an agricultural cooperative formed by the active farmers that are owners of their land but also the potential farmers that can reuse the derelict lands through holding the lands that belonging to retired farmers who are unable to exploit their resources due to advanced aged, this potential farmers should be composed mostly by unemployed young people that are interested in joining this project and invest in this activity. Thus it is possible to reuse the derelict land (about 20% of land devoted to agriculture in the village), as well as reducing youth

unemployment and reduce the number of loneliness elderly since many of elderly live in that lands and the holding of it can result in someone being present, every day, in the land and consequently if the elderly needs some support it will be easier to get it, that being, in my opinion, a good partnership to both sides because it would be possible to harness the knowledge and experience of landlords who no longer have physical capacity to devote to agriculture. They would transmit this experience and knowledge to younger people that hold the land, and for the landlord to have companionship, he can get support easier in case of need and also make their land profitable again contributing for the economic growth of the region.

However, to be possible to implement this strategy it is required that the elderly have enough information about the project and thus may be predisposed to rent their land, because if there is lack of information they hardly accept to have someone to use their land, knowing that sometimes the older population is more averse to change is crucial to invest in a strategy to inform and mobilize people in order to join a project of this size. To avoid this situation there should be organized lectures to encourage adherence to the project, clarifying the importance of this and their strengths and briefings for questions, by the chamber and the parish council in order to mobilize people to join this project.

Another point is also important to focus on the lack of practical training of unemployed young people in this specific area, which would be essential for some training sessions so that they could perform their functions in full. These formations could be given by the farmers with experience who are also involved in the project.

The justification for the formation of an agricultural cooperative over other strategies is because the "Cooperative Movements are mobilized people Towards common goals" (Jose Machado de Almeida Bruno), and as mentioned previously it will need a very large mobilization by the inhabitants of São Brás de Alportel being required to pursue the same objectives for this project is successful. Another reason is that most agricultural producers are individual producers and with the formation of a cooperative, the production continues to be individual but with partnership with other producers that will increase the market position and will be an add-value also enabling an exchange of knowledge, information and experience related activity among farmers.

The cooperative must bet on the region's typical products such as cork, almond, the locust beans, broad beans, peas and olive groves since they are products that are not so easily found and because they are typical products of the region there is an expertise and a thorough knowledge on these products as well as for having such specificity are more easily absorbed by the market. The investment in a specific niche market such as organic farming would also be an interesting measure because consumers are increasingly interested in these kind of products and in Portugal there are not many cooperatives engaged in organic farming.

However, to form a cooperative an initial investment in infrastructures is required, equipment and innovation which requires the existence of capital available which can be obtained through borrow from a credit institution or through shares issued by the cooperative that may be purchased by people interested in belonging to the project.

Other assumption is that is also necessary that the cooperative be managed professionally by several managers, being one of the factors of success combined with effective management of sales and marketing, and should be engaged by youth people who are unemployed and have training and degree in the areas described to perform these functions, thus begins to also create conditions and attractive jobs for young people which prevents their mass exodus resulting in a rejuvenation of the population and thus countering one of the problems identified above. Effective management is one of the requirements for a cooperative to be successful due to several important factors such as financial control, as well as a marketing strategy which is very important to promote and publicize the cooperative products near the consumers, and a well-designed commercialization strategy is also crucial since it is important to market the products and ensuring their delivery and distribution within the terms and conditions agreed previously to give credibility and add-value to the cooperative. The hiring of a team composed of young people with degrees in law and agricultural engineering would also be beneficial to obtain consulting work in the area of subsidies, as well as to get a consulting job and can maximize the amount received through subsidies and the agriculture area using the knowledge that young people have acquired in University.

Another objectives of the cooperative should be the creation of partnerships with large retail trade groups in order to bet on the marketing of regional products and can also be a plus for these groups that can advertise that they are betting on national products that could be a add value to final consumers, and may require that the cooperative has to slightly lower the price of their products to gain market advantage, which will lead to a decrease in profit margin but the move to produce in large scale. Betting in this partnership, the cooperative would gain brand recognition and would have current customers exportation of the products, other strategy should be the bet on exportation since this practice is not used in the agriculture market in São Brás de Alportel, trying to find consumers in the international market in order to drain the production if the market cannot do it.

To export agricultural products is necessary to have representatives of the cooperative in the countries where the cooperative want exports and that exported products have to be of good quality, and one should bet on regional products that are not produced in other countries to create a consumer needs to buy these products and achieve a very specific niche market consumer products that are only produced by the cooperative. It should also invest in international partnerships with large retail trade groups in order to diversify the network of customers. To be attractive this partnership, the cooperative can provide unique products to these customers and analyze strategies loyalty easily or postponement of payment. For this strategy of internationalization of the market to be successful, it is again important to have an effective management of resources, an effective marketing strategy and an effective commercialization strategy.

Another important point is the intrusion of the state regulation of profit margins achieved by each of the agents of the production process of the activity, in order to make fair margins of each of the agents, since this problem has been identified and named as a point that needs quick resolution by the Minister of Agriculture, Assunção Cristas.

The lack of supply markets in the region is also an aspect that hinders the success of agriculture, since there is only a regional market situated in Estoi. Thus, it would be beneficial to promote a wholesale market of agricultural products in the region so that

the products do not have to go to Lisbon to be marketed. It can also be organized an annual fair with products of the region, as do other regions such as Ovibeja and the National Fair of Santarém, where farmers could exhibit their products in order to promote the typical products of Sao Bras, also boosting the region at that time, increasing tourism revenues and functioning as a good marketing campaign.

Another suggestion would be to bet on the concept of fair trade, a concept that increasingly has more followers, and this concept already exists in Portugal with the "Comércio Solidário e Sustentável" (Fair Trade and Sustainable Development) in Castelo Branco. This concept involves the commercialization of regional products, locally produced by farmers who have their land to a maximum distance of 100 km from Castelo Branco, and these products are then sold to restaurants, grocery stores, supermarkets and hypermarkets in the region, using as a strategy affixed to the marketing regional products and the help they are giving farmers in the region, buying this products. Thus, establishments that buy these products gain new customers and customers loyalty who are sensitized to this "cause", being also a way to advertize the company. In São Brás de Alportel would be possible to apply this idea and may even be an organization created by the Fair Trade cooperative following the same concept of the organization created in Castelo Branco, creating partnerships with various establishments such as restaurants, supermarkets, mass merchandisers, grocery stores where they could use this strategy with a view not only as supportive of growth and regional development in order to attract more customers. There are also people who do not even support a cause of fair trade always prefer domestic over imported goods, in that sense this strategy would also be a plus. However, if this strategy worked in full would require a clear disclosure of the project and its end reached as many people as possible. In a long time, and in the case of this strategy have success in the local market, might be tempted partnerships as institutions in other parts, using as basis the importance of consuming domestic products so as to stimulate and develop the national economy.

These measures may be feasible but depends on several key factors as: the availability of unemployed young people engaging in agricultural activities, according to information gathered at the Institute for Regional Employment, unemployed young

people are mostly interested in working in agriculture since it is an activity profitable, the availability of the elderly who owns lands, rent the same to be used by other farmers in this case would always be a great coordination between all actors responsible for the development of this project, especially the city hall in order to sensitize the elderly for not only economic issues but also social current region and the possibility of overcoming and reversing this cycle with the application of this project, the active interest of farmers to adhere to a cooperative and let the management to the same professional, in this case, action will also be necessary to clarify and raise awareness among the farmers by the Regional Directorate of agriculture in order to denote the importance of agriculture, particularly in increasing market share in the increased bargaining power, increased economies of scale and increase of greater investments in technological innovation and machines that allow large scale production, the importance of accession of the villagers to this project, which is a focal point since it will be a great cohesion and solidarity between them for this project shows the results.

6. Limitations

The biggest limitation I found during this thesis grappled with the fact that the specific information on economic and social level of the Parish of São Brás de Alportel be quite limited or absent, as the average size of agricultural land, the number of derelict land in the last 5 years , the number of elderly who are helpless, that is, who has no family in the region that will support the impossibility of questionnaires among unemployed youth in order to assess their readiness to work in agriculture, since no contacts were made available, and although it has been receiving information that the majority of unemployed young people are available for work in the agricultural area, in my opinion this information should be more detailed as in which wages and social conditions that this younger's unemployment be willing to work in this area in order to more effectively support my study. (confuse)

7. Future Research

In the future, to develop knowledge and strengthen the study of this area I think would be necessary to develop a study to see how the subsidies are applied to support the activities assigned by the European Union and the state to farmers, since these subsidies are not always well used or used for the desirable purpose. On the other hand, I think it would also be important to analyze the problem of production quotas for farmers, since the accession to the EEC, Portuguese farmers now have production limitations and I think it would be beneficial to conduct a study to overcome this problem, allowing profit maximization and the reduction of waste of resources and products.

In a more specific approach, I think it would be important to understand why most cooperatives do not work in its fullness, and that leads farmers to manage them and end up wanting to own them rejecting the hiring of professional managers, unwilling to let them change their minds.

Socially, I think that it is important to understand how is it possible to motivate young people to stay in São Brás de Alportel and secondly, how is it possible to prevent the helpless elderly and what strategy would be advisable for this situation. How is it possible to mobilize people so that all share the same objective and split a project thinking primarily of collective goals by adapting it to a great spirit of solidarity?

Another important factor to consider is the state's role in the success of agriculture in a regional plan, that is, how can the state through their conditional measure the success or failure of an activity in a region.

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Appendices

Reference period of data	Farms with permanent grassland (No.) by Geographic location (NUTS - 2002); Decennial			
	Geographic location (NUTS - 2002)			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	1500812
	N.º	N.º	N.º	N.º
2009	91502	81434	1395	15
1999	107692	95687	1104	15
1989	113668	99395	789	6

Reference period of data	Type of farm machinery	Farms with agricultural machinery (No.) by Geographic location (NUTS - 2002) and type of agricultural machinery; Decennial			
		Geographic location (NUTS - 2002)			
		Portugal	Continente	Algarve	São Brás de Alportel
		PT	1	150	1500812
		N.º	N.º	N.º	N.º
2009	Total	173880	167198	7829	264
	Tractors (wheel and track)	145583	142605	6294	162
	MotoCultivators	35840	32994	1308	25
	Harrows (motofresas)	20628	19128	1567	151
	Mowers with motor (motor mowers)	5589	5477	66	3
	Combines	2869	2869	35	-
1999	Total	184241	179227	9228	306
	Tractors (wheel and track)	135740	133441	7148	197
	Cultivators	53558	50954	2051	89
	Harrows (motofresas)	22933	22377	1478	88
	Mowers with motor (motor mowers)	20637	20512	345	4
	Combines	3762	3761	97	1
1989	Total	151687	148800	7614	306
	Tractors (wheel and track)	109126	107532	6237	176
	Cultivators	41565	40310	1602	116
	Harrows (motofresas)	13531	13267	511	68
	Mowers with motor (motor mowers)	23851	23764	309	10
	Combines	3843	3842	81	-

Reference period of data	Farms with irrigable area (No.) by Geographic location (NUTS - 2002); Decennial		
	Geographic location (NUTS - 2002)		
	Portugal	Algarve	São Brás de Alportel
	PT	150	1500812
	N.º	N.º	N.º
2009	162611	6268	136
1999	285684	13636	345
1989	472641	19317	594

Reference period of data	Type of land use	Farms (No.) by Geographic location (NUTS - 2002) and type of land use; Decennial		
		Geographic location (NUTS - 2002)		
		Portugal	Algarve	São Brás de Alportel
		PT	150	1500812
		N.º	N.º	N.º
2009	Total	305266	12383	422
	Utilised agricultural area	303867	12347	420
	Woods and forests without under-covered crops	142943	3921	177
	Unutilized agricultural	59575	7237	164
	Other surfaces	282651	12322	422
1999	Total	415969	18971	563
	Utilised agricultural area	412612	18796	561
	Woods and forests without under-covered crops	201098	5194	228
	Unutilized agricultural	91043	10869	320
	Other surfaces	336107	15972	510
1989	Total	598742	26143	949
	Utilised agricultural area	594418	25908	945
	Woods and forests without under-covered crops	279419	5272	385
	Unutilized agricultural	95098	12015	492
	Other surfaces	464073	18329	612

Reference period of data	Age Group	Natural farmers (No.) by Geographic location (NUTS - 2002) and Age group; Decennial		
		Geographic location (NUTS - 2002)		
		Portugal	Algarve	São Brás de Alportel
		PT	150	1500812
		N.º	N.º	N.º
2009	Total	297381	12153	421
	15 - 24 years	534	10	-
	25 - 34 years	6311	139	5
	35 - 44 years	22961	513	9
	45 - 54 years	51711	1290	39
	55 - 64 years	73947	2612	75
	65 and older	141917	7589	293
1999	Total	409308	18656	559
	15 - 24 years	1543	45	1
	25 - 34 years	15480	372	11
	35 - 44 years	46768	1182	27
	45 - 54 years	79817	2723	63
	55 - 64 years	111102	4946	153
	65 and older	154598	9388	304
1989	Total	593590	25881	941
	15 - 24 years	4668	129	2
	25 - 34 years	34988	681	12
	35 - 44 years	79330	2172	55
	45 - 54 years	133213	4934	154
	55 - 64 years	170527	7434	279
	65 and older	170864	10531	439

Reference period of data	Level of education	Proportion of farmers singular (%) by Geographic localization (NUTS - 2002) and level of education; Decennial			
		Geographic location (NUTS - 2002)			
		Portugal	Continente	Algarve	São Brás de Alportel
		PT	1	150	1500812
		%	%	%	%
2009	Total	100	100	100	100
	No	22,09	22,20	27,03	25,65
	Basic	69,32	69,04	63,64	66,75
	Secondary	4,19	4,20	4,85	4,04
	Graduate	4,40	4,56	4,48	3,56
1999	Total	100	100	100	100
	No	34,38	34,41	39,09	24,33
	Basic	60,90	60,77	55,05	71,91
	Secondary	2,18	2,19	3,13	1,79
	Graduate	2,54	2,63	2,73	1,97
1989	Total	100	100	100	100
	No	47,16	46,73	54,83	52,60
	Basic	48,93	49,39	40,10	43,78
	Secondary	2,83	2,77	3,78	2,76
	Graduate	1,08	1,11	1,30	0,85

Reference period of data	Family farming population (No.) by Geographic location (NUTS - 2002); Decennial			
	Geographic location (NUTS - 2002)			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	1500812
	N.º	N.º	N.º	N.º
2009	793169	709928	29207	956
1999	1236214	1123418	47972	1436
1989	1974808	1799736	69919	2591

Reference period of data	Natural farmers over 65 years old (No.) by Geographic location (NUTS - 2002); Decennial			
	Geographic location			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	1500812
	N.º	N.º	N.º	N.º
2009	141917	133172	7589	293
1999	154598	143825	9388	304
1989	170864	156786	10531	439

Reference period of data	Natural farmers with gainful employment outside the farm (No.) by Geographic location (NUTS - 2002); Decennial			
	Geographic location (NUTS - 2002)			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	1500812
	N.º	N.º	N.º	N.º
2009	76756	67384	2879	104
1999	123715	111221	5827	199
1989	219911	198189	8258	340

Reference period of data	Utilised agricultural area average per farm (ha) by geographical location (NUTS - 2002); Decennial			
	Geographic location (NUTS - 2002)			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	1500812
	ha	ha	ha	ha
2009	12	12,7	7,1	7,3
1999	9,3	9,8	5,4	3,3
1989	6,7	7	5,2	2,8

Reference period of data	Time of agricultural activity on the farm	Proportion of farmers singular (%) by Geographic localization (NUTS - 2001) and time farming on the farm; Decennial			
		Geographic location (NUTS - 2001)			
		Portugal	Continente	Algarve	São Brás de Alportel
		PT	1	10501	105010812
		%	%	%	%
2009	Total	100	100	100	100
	Full-time (225 days or 1800 hours / year)	21,23	21,61	11,16	3,33
	Part-time	78,77	78,39	88,84	96,67
1999	Total	100	100	100	100
	Full-time (225 days or 1800 hours / year)	16,38	16,89	6,20	1,07
	Part-time	83,62	83,11	93,80	98,93
1989	Total	100	100	100	100
	Full-time (225 days or 1800 hours / year)	20,85	21,77	19,35	2,66
	Part-time	79,15	78,23	80,65	97,34

Period Reference of data	Mean age (years) of the resident population by place of residence (based on Census 2001); Decennial			
	Place of residence (based on Census 2001)			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	0812
	Year	Year	Year	Year
2001	39,01	39,19	40,75	42,34
1991	36,35	36,52	39,12	41,77
Reference Period of data	Elderly dependency ratio (No.) by Place of residence (based on Census 2001); Decennial			
	Place of residence (based on Census 2001)			
	Portugal	Continente	Algarve	São Brás de Alportel
	PT	1	150	0812
	N.º	N.º	N.º	N.º
2001	24,1	24,3	27,8	34,4

Place of residence		Families (No.) by Place of residence; Decennial	
		Reference period of data	
		2011	2001
		N.º	N.º
Portugal	PT	4079577	3654633
Continente	1	3903728	3508953
Algarve	150	186456	149369
São Brás de Alportel	0812	4303	3746