

## (Return-) migration to Castelo Branco: Options for economic growth through small-scale agriculture



Figure 1: Olive orchard, Karin Ronde (2012)

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## **Preface**

This thesis has been written as the concluding requirement for my master program in Economic Geography at the University of Groningen. I took the opportunity to conduct my master thesis in another country and through the Erasmus student exchange program I ended up in Lisbon where professor Ana Firmino was asked to be my supervisor. Ana Firmino is among others specialized in sustainable rural development, organic farming and social farming which suits well with my chosen topic.

The goal of my master thesis is to discover if (return) migration to Castelo Branco can stimulate agricultural activity and generate economic growth in the region. I chose this topic because I was inspired by the ongoing debate on the consequences of population decline in some peripheral parts of the Netherlands and its consequences for those regions. Another interest of mine is agriculture and for this reason I wanted to link population decline with agriculture and economic development since I study Economic Geography.

Eventually I decided to research the connection between (return) migration and agriculture. I came to this connection because in many policies it is suggested that population decline can best be contested by in-migration.

The region of Castelo Branco was chosen because my Portuguese supervisor Ana Firmino has many contacts in that region which I needed for my research.

## **Acknowledgement**

With the writing of this paper I am finishing my four years of study at the University of Groningen. Although I really enjoyed my study, these four years have not always been easy for me and now at the end of my studies special thoughts go to my grandfather and grandmother of whom I know they had wished they could be here to see me finish my studies.

Now, at the closure of my study, I would like use this acknowledgement to express my gratitude to the people who have advised, encouraged and supported me the past four years.

First of all I am grateful for the support of my family. They have always helped and supported me throughout my studies and the writing of my thesis.

Secondly I would like to thank Mafalda and Oriana for showing me the Portuguese hospitality and helping me with my research by taking me to the countryside of Castelo Branco. Thirdly I wish to thank the two other Economic Geography students who went with me to Lisbon, Bas Heite and Sandra van der Molen. They have given me much needed advise and supported me throughout the whole writing process.

And last but not least I would like to thank my supervisors Paul van Steen and Ana Firmino. I am grateful to Ana Firmino for helping me to get in contact with my interviewees and providing me with plenty of information about Castelo Branco. A special thanks go to my professor Paul van Steen for helping me in completing my thesis and providing me with interesting ideas for my thesis.

Lisbon, July 13, 2012

Karin Ronde

## **Abstract**

The goal of this paper is to discover if (return-) migration to Castelo Branco can stimulate agricultural activity and generate economic growth in the region. This study will focus on the relations between (return-) migration, small-scale agriculture and economic growth. The region has been suffering from out-migration and low levels of population growth in the past. Return migration could, by means of revitalization of agricultural activity in the region, be the basis of a new cycle of economic growth. The degree to which this is possible, as well as the conditions for success, for the Castelo Branco region are not very well known.

This research has been conducted by means of a case study of the region Castelo Branco. Castelo Branco is a region located in Portugal near to the Spanish border. Through the case study it is the intention to try to get a good understanding of the effects that (return) migration might have on agriculture and economic growth in Castelo Branco. Different methods of data collection are used for this research. The first two chapters are based on scientific literature and collected data. At the end of these chapters five hypotheses were created. These hypotheses define the expectations of this research and describe the aspects that will be examined in the subsequent chapters. Besides the information from the literature also different interviews were held. With the use of data analysis, literature review, interviews and my own vision the hypotheses and results will be examined.

Can (return) migration to Castelo Branco stimulate the agricultural activity and generate economic growth in the region? In theory the answer to this question is yes, if migration would happen it would be able to stimulate the agriculture and economy. The basis of the economy in Castelo Branco is agriculture and although the majority of the farms are small-scaled it is still an important source of income for the population. For the region of Castelo Branco it is very important that migrants are coming to the region since the population has been declining for many years. Also the agriculture sector has problems because the farmers are aging and there are not enough young people to work in agriculture. It became clear that the migrants who are coming to the region are planning on staying in the region. For this reason they invest in their farm which is good for the stimulation of the economy of the region. However up till this point not many migrants are coming to the region. In the future it might happen that more people will come to the region but these people will most likely live up till 40 kilometres away from Castelo Branco. This means that in the more remote villages further away in the district population decline will continue and there migration will probably not be able to stimulate agricultural activity and eventually economic growth.

Keywords: Population decline, migration, small-scale agriculture, economic growth, Castelo Branco.

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## Chapter 1. Background, goal and structure of the research

### *1.1 Population decline and rural regions*

In the last couple of years population decline has become a debated subject. After years of growth Europe is now facing population decline and this decline will, according to the European Union, become a long term process that might affect the majority of EU territories. Van Dalen (2008) claims that a shrinkage of the population is strictly spoken a decline of the population size at a specific location. However population decline can also be associated with a decline of the total amount of births or a situation in which there are more people leaving than entering a country or region.

Data provided by ESPON (2011) give an impression about where population decline might happen. Figure 1 in the appendix shows that almost every region in Europe will face population decline at one point. As can be seen in figure 1, population decline is in some regions already happening. Especially the Eastern and Southern part of Europe are already facing population decline.

Population decline can be caused by a decreasing amount of children. It is assumed that a total fertility rate of 2.1 live births per woman is the replacement level. This means that, when there is no migration, the average number of life births per woman to keep the population size constant is 2.1. In Europe the fertility level is below the replacement level. In 2009 the average was 1.59 live births per woman (European Commission, 2012).

Besides the fertility rate population ageing can be strongly related to population decline. The second figure of the appendix, which also comes from ESPON, gives an impression of the ageing of Europe in 2030. The regions which can expect the highest percentage of ageing are also the first regions that will experience population decline.

It has become clear that Europe will face population decline but what the impacts of this decline might be for regions is still much discussed. According to Van Steen and Pellenbarg (2010) the fear for population decline is derived from the fact that the long-term trend of population has been upward. In addition most development is based on growth and not on decline. For example population growth is seen as an incentive for innovation, because economies of scale can be achieved when population growth stimulates a growth in production. However when there is population shrinkage the incentive to innovate will decrease, which also means that the economies of scale will decline (Van Dalen, 2008). Furthermore there will be a far reaching change in the housing market in the regions facing population decline. Also in this market development is based on growth and not on shrinkage. When the population size of a town is declining it usually also leads to a decline of local amenities. For example, a local supermarket must close because it has too few customers to be profitable or a school must close because there are not enough students. The closure of these local amenities reduces the quality of life for the residents. From these perspectives it might seem logic that many scientists describe population decline as a problem instead of an opportunity.

But are all outcomes of population decline for a region negative or can population decline be a chance for the region to develop itself in a positive way? For example a decline in

population can mean that there is less pressure on land use. Therefore a new land design plan can be established for the improvement of the production of agriculture or to stimulate nature. The rural regions in the northern part of Europe are also facing population decline but because many people left the region the pressure on the land has declined and more land became available to nature (Pancras, 2011). Because there was a decline in the land pressure it became possible to begin a wilderness project which would stimulate the development of nature in the region. In the future these wild parks should attract tourists and make the region more viable again. For other regions, like Castelo Branco, population decline might also turn out to be a chance for the region to develop itself in a positive way.

### 1.2 *Castelo Branco, Portugal*

For this paper the region of Castelo Branco will be studied. Firstly it is important to define the region of Castelo Branco since there are many levels on which a region can be approached in Portugal. For example the municipality of Castelo Branco is situated in the region of Beira Interior Sul. Besides Castelo Branco, three other municipalities are part of the Beira Interior Sul region. However Portugal is also divided in 18 districts on the mainland, of which Castelo Branco is one. The district of Castelo Branco consists of 11 municipalities including the municipality of Castelo Branco. The total area of the district of Castelo Branco is around 6.500 km<sup>2</sup> and has around 204.000 inhabitants (DB city.com, 2012). This is a large area to research and for this reason the municipality of Castelo Branco will be the area of research. The municipality is 1438.2 km<sup>2</sup> and has 53.270 inhabitants (CCDRC, 2011). To conclude: when 'region' is mentioned in this paper, it will be the municipality of Castelo Branco.



Figure 2: The district of Castelo Branco (distritosdeportugal, 2012)

Figure 3: The district of Castelo Branco with all the municipalities (distritosdeportugal, 2012)

The region of Castelo Branco is situated next to the border of Spain. As can be seen in the figures in the appendix this region is, like other European regions, dealing with population decline. However Portugal has been suffering economic recession for a while now. This created high unemployment rates which reduced the opportunities for young people to get a

decent well paid job. Table 1 in the appendix gives an overview of youth unemployment rates in Europe and Portugal.

According to Brul (2012), some young people in the big cities, such as Lisbon and Porto, are now becoming interested in (organic) farming. Some of their families still have land in the countryside, that is hardly used or has an extensive, almost no-input 'management' in olives, cork or eucalyptus trees. Young people from the big cities could potentially move back to Castelo Branco. Agriculture might then become a chance for the region to develop.

The migration from towns and cities to rural areas is a type of urban-rural migration which is also called counter-urbanization. It is a process which has been significant in North America and Western Europe from the 1970s until now (Redman and Foster, 2008; Fielding, 1989 as cited in Primdahl 2011). Counter-urbanization can occur in many different ways. For example, a person from a rural area decides to move to the city hoping to find a good job but at the same time that person will keep the land he owns in the rural area. When things do not turn out as expected in the city that person always has his land on which he can make a decent living. The young people moving from the urban areas back to Castelo Branco will probably use the land of the family for agriculture.

#### *Agriculture in Castelo Branco*

In the appendix three tables are added about agriculture in Castelo Branco. It gives an indication about the amount of land used for agriculture and the number of people working in agriculture. According to the tables an average farm in Castelo Branco has approximately 11.9 hectares of land, which is relative small if you compare it with the Netherlands. The average area of Dutch farms in 2009 is about 26 hectare (Reitsma, 2009). As can be seen in the tables the average production income per hectare is 652 euros. Which means that with an average of 11.9 hectare a farmer has an income of 7758.80 euros per year. All these numbers suggest that the agriculture in Castelo Branco is mainly small-scaled. However the tables also show that a substantial amount of people are working in agriculture which means that agriculture is still of importance for the region.

### *1.3 Research problem*

Regions that have suffered from out-migration or lower levels of population growth in the recent past can demonstrate patterns of return migration. This return-migration could, by means of revitalization of agricultural activity in the region be the basis of a new cycle of economic growth. The degree to which this is possible, as well as the conditions for success for the Castelo Branco region are not very well known yet.

### *1.4 Research goal*

The goal of this master thesis is to discover if (return-) migration to Castelo Branco can stimulate agricultural activity and generate economic growth in the region. This study will focus on the relations between (return-) migration, small-scale agriculture and economic growth.

## 1.5 Research questions

The main question of this research is:

*Can (Return-) migration to Castelo Branco lead to an investment in small-scale agriculture and eventually generate economic growth in Castelo Branco?*

The sub questions of this research are:

1. *Which factors are, according to the literature, associated with migration to rural areas?*
2. *a. What are the most important characteristics of agriculture in the region Castelo Branco?*  
*b. What is the contribution of agriculture for the economy of Castelo Branco?*
3. *In what ways can migration to Castelo Branco impact the agriculture and the economy of the region?*
4. *Could agricultural improvements/investments in Castelo Branco attract more (return-) migration?*

## 1.6 Conceptual model

This research consists of three aspects. These three aspects form the basis of this research and for this reason it is important to have a good overview of these aspects.

With the use of a conceptual model a schematic overview of this research can be created.

This paper wants to research if more economic growth is possible through agriculture.

However more economic growth through agriculture is only possible if improvements or investments are made in agriculture. These changes in agriculture can be stimulated by (return-) migration. It becomes clear that in this research (return-) migration, agricultural activity and more economic growth are linked together. This is an important aspect to keep in mind, because the entire research is based on this model.



Different methods of data collection will be used for this research. The first two chapters of the literature review will be based on scientific literature and data gathered from the literature. At the end of this chapter five hypotheses will be drawn. These hypotheses will define the expectations of this research and describe the aspects that will be examined in the following chapters. Through data analysis, literature review, interviews and my own vision the results of

this research will be examined. The five hypotheses drawn in the literature review will be discussed in the conclusion of this paper.

### *1.7 Research design*

The research for this paper will largely be conducted by means of a case study in Castelo Branco. A case study is a detailed study with one single research object. The research goal is to try to get a good understanding of the effects that (return) migration might have for agriculture and economic growth in Castelo Branco. With the use of a case study it is the intention to understand the different aspects, complexity and possible developments as thoroughly as possible.

The main- and sub-questions mentioned above will be answered in the chapters ahead. Firstly, the literature review will provide a theoretical background of the subject. This forms the heart of chapter 2. Through this a better understanding of the importance and function of (return-) migration, agriculture and economic growth shall be obtained. The chapter then concludes with a look at recent developments in agriculture in Europe and Portugal.

In chapter 3, the focus will be on Castelo Branco. Following a descriptive analysis of the economy and the agricultural sector in the region. This third chapter then generates a set of hypotheses, inspired by the theoretical framework of chapter 2 and the situation in the region described in chapter 3. These hypotheses will be tested using available secondary subsequent data as well as by means of interviews and my own observations.

Chapter 4 seeks to find an answer to the third research question, the ways that migration to Castelo Branco can impact the agriculture and economy of the region. In chapter 5, the question is discussed if agricultural improvements and investments in Castelo Branco could attract more (return) migration to the region.

Interviews will be used in chapter 4 and 5 to answer the sub-questions. The interview method used in this paper is the projection method. Key figures will be asked how they believe a certain group of people thinks or acts. For example the ministry of Agriculture in Castelo Branco will be asked if the people earn sufficient income in agriculture. It is important to talk to key figures or people who are specialized in agriculture because their answer will be more reliable and useful for this research.

## **Chapter 2. Migration and Rural Regions in Europe: an overview of the literature**

As mentioned before this chapter and the next chapter will provide the paper with a theoretical background. Different theories and researches about population decline, migration, agriculture and economic growth will be discussed here.

### *2.1 Migration*

In this section of the paper migration will be discussed. Migration is considered as the movement of people from one geographical region to another which may be on a temporary or permanent basis (Gbemiga Adewale, 2005). For this research migration can be considered as one of the key aspects and for this reason migration will be thoroughly discussed.

The reason for migration differs from one person to another and usually depends on the personal situation of the migrant. Different academics have studied the reason for migration and, although migration will be an individual decision in the end, found some explanations which stimulate migration.

According to Gbemiga Adwela (2005) migration is occurring as a response to economic development as well as social, cultural, environmental and political factors which affect the areas of origin as well as the areas of destination. For example, people tend to move away from a place when they believe the place is not safe, or political instable, or when there are no work opportunities. But people can also move away because there are physical conditions which make it impossible to stay in the region. For example the land has been poisoned, or there was a natural disaster such as an earthquake. This broad definition about why people might migrate suggests that many aspects could influence migration. However since there are many reasons why migration could occur, this paper will focus on reasons for migration which will be most relevant for the region of Castelo Branco. For this reason migration motives such as a natural disaster will not be discussed here.

The human capital model tries to explain an individual's decision to move. They believe that employment is an important reason for migrants to move. According to this model a person will look if the net discounted returns he or she expects to receive from moving will exceed those expected from staying, despite the general uncertainty which surrounds the moving decision (Kan, 1999; Khwaja, 2002 as cited in Morrison et al 2011). It is also possible to add labour in to this model. Hereby a person will migrate if the employment returns (net of moving cost) at an alternative destination exceed those that prevail at the origin (Morrison et al, 2011). This model looks at migration from a rational economic perspective. The human capital model sees migration as a human capital investment which will improve the prospects on the labour market for the migrant. This is according to the model also the main reason why a migrant moves from one region to another. Motivations such as improving living conditions or cultural reasons are not mentioned. So, one reason for migration could be labour. According to Morrison et al. (2011) employment is essential. However social and consumption reasons are seen as the most important reasons for migrants to move between

labour markets. Morrison et al. (2011) believe that in order to change residence, members of the workforce have to secure an income stream at the new location which therefore constrains who can move, as well as when and where to move. People will only move if they are able to get a new job in the area of destination. If this is not possible because there is for example a lack of job opportunities in that region, people will not move. It is also possible that a migrant is able to find a job in many different locations. In this situation other considerations besides employment will become the dominant motivation on why people move. In this way people who choose to migrate can also enhance other goals besides their employment goals (Chen and Rosenthal, 2008; Clark and Withers, 2007; Fotheringham et al. 2000, as cited in Morrison et al, 2011). But in the end most internal migrants see ongoing employment simply as a necessary rather than a sufficient precondition for moving (Morrison et al, 2011). This last explanation can also be seen as one of the reasons why few migrants mention employment as their main reason for moving since they need to consider their new source of income before they move. Without a source of income it is difficult to migrate to another destination.

When looking at the question why people migrate it is interesting to look at the general opinions as to where people prefer to live. For households it is generally believed that they prefer to live in nonmetropolitan areas and cities in warm coastal locations. However firms tend to prefer large, growing cities and workers with high levels of education are drawn to locations that are attractive to business (Chen and Rosenthal 2008 as cited in Morrison et al 2011). It is also claimed that the individual's preference for residence is at least partly determined by the individual's stage in their life course. For example the transition from school to tertiary education and on to employment can be seen as an important trigger for migration for young adults (Kley and Mulder, 2010 as cited in Stockdale 2012). Other authors such as Chhetri et al. 2009, Hamilton and Mail 2003 (as cited in Morrison et al, 2011) have claimed that people are moving out of the cities because they want to reduce their consumption but increase their quality of life.

Again the conclusion is that there are many reasons as to why a person might migrate to another region. According to the human capital model the anticipated returns of migration depend on the person who is migrating, where they are moving to and whether the migrant is primarily a supplier of labour, an investor, a consumer and/or a producer (Shields and Shields, 1989 as cited in Morrison et al 2011).

Since Castelo Branco can be considered as a rural area urban-rural migration can be seen as the most important type of migration for this paper. There are many reasons why urban-rural migration might occur. Gbemiga Adwela (2005) has done research about the consequences of migration in Nigeria. Although at first sight Nigeria might not be seen as a comparable area for Castelo Branco they actually have one important similarity. In both Castelo Branco and the rural areas of Nigeria not much industry can be found and in both regions the economy is primarily based on agriculture. For this reason the effect that urban-rural migration has on the rural areas in Nigeria can also be expected in Castelo Branco. According to Gbemiga Adwela (2005) the movement from rural to urban areas creates a negative impact on the quality of rural life, especially when the migrants are consuming in the city instead of the rural area. Migration of young people to the urban areas also places a greater burden on farmers. They

still have to work on the same amount of land but without the help of young people. Therefore the farmer needs to work much harder to get the work done which gives him less time for leisure activities. However when farmers get older they might not be able to harvest all the land without help. For this reason land might become abandoned because no one is able or willing to work the land.

Rural depopulation has been a problem in Europe for many years now. According to Stockdale 2002, Machold et al. 2002 and Jamieson 2000 (as cited in Stockdale 2006) the depopulation is primarily driven by the out-migration of the young and most often the brightest adults. According to Stockdale 2002 (as cited in Stockdale 2006) there are two important reasons why the young adults decide to migrate to the urban areas. First of all the higher educated leave the area in order to get a better education in urban areas. When their education is finished they usually stay in the urban areas because here they have a better chance on finding a job that suits their educational level. This last reason is closely connected to the second reason for migration. Due to the lack of opportunities in the local labour market people migrate to other regions where they are able to get a job. Especially when a rural region is suffering with economic decline many people decide to leave the region. Fielding, 1992 (as cited in Stockdale 2006) has also studied the second reason for migration and he claims that the restructuring of the economies in economically advanced countries such as Portugal has led to the emergence of a distinctive migration flow involving professionals to the core economic regions, at the expense of the rural regions. This outflow of highly educated people has a significant effect on the human capital in the rural regions, which is declining with the out migration.

Although the rural-urban migration has proven not to be beneficial for the rural region in general it is been seen beneficial for the individual with southern Europe as the exception. Kasimis et al. 2003 (as cited by Stockdale 2006) claims that in southern Europe many rural migrants come from a low educated sector. For this reason they are only able to get a low status and low paid job in the city.

Another way in which rural-urban migration can be looked at is through endogenous development. Endogenous is another word for inside, which means that development is tried to be achieved through inside development instead of using external forces. A central aspect of endogenous development is the need for human capital to be present in the region. However outmigration and depopulation are not beneficial for the endogenous development in a region. Muilu and Rusanen, 2003 (as cited by Stockdale 2006) claim that young people have a key position in the future of remote rural areas. They are the ones who continue the population growth from within and without them the economic functions of the region cannot maintain in the long run.

According to Stockdale (2006) out-migration is not necessarily the main problem, however the small number of people that return to a region is a problem because in-migration can stimulate the endogenous development if the people who migrate to the region have knowledge and skills which could be beneficial for the region. More scientists agree with the idea that rural in-migration can help a rural region to develop. For example Derouinian 1998 (cited by Stockdale 2006) describes rural in-migration as potentially constituting something of

a transfusion in the form of new blood, new ideas and fresh enthusiasm for locally based action. Others like Keeble and Tyler 1995 (cited by Stockdale 2006) see a strong relationship between rural in-migration and the formation of new enterprises. Since in-migration could stimulate the endogenous development of a rural region it is important to stimulate this type of migration. According to Stockdale (2006) there is a need for exogenous policies to encourage in-migration. For example a national migration policy should stimulate in-migration and should encourage migrants with skills to return to their region of origin.

## 2.2 *Return migration*

Although patterns of migration have occurred already for long periods of time in history, the phenomena of return migration is a rather new phenomenon. In the nineteenth century, it was recognized that migration flows often tend to produce counter flows of migrants, mostly returning migrants (International Organization for Migration, 2012). In the broad sense return migration refers to the return of a migrant to the last place of residence or birthplace. This type of migration can happen between different countries, but also within one country. For this research the definition of return migration will be a bit broader. Besides last place of residence and birthplace also the place where the family lives (or lived) will be taken into account.

Since return migration is a relative new area of migration, there is not yet a standard definition or meaning of return migration. However return migration can broadly occur in three different ways. It can be:

- Voluntary without compulsion, the migrant can decide at any time to return home. It is their own decision and at their own expenses.
- Voluntary under compulsion, when persons are at the end of their temporary protected status, rejected for asylum, or are unable to stay, and choose to return at their own volition.
- Involuntary, as a result of the authorities of the host State ordering deportation.

(International Organization for Migration, 2012)

According to the International Organization for Migration there are three different ways in which return migration can occur. However they do not explain the reasons why return migration might happen. Stark 1996 (as cited in Zhao, 2002) describes three reasons through which return migration can be explained. First, return migration occurs because the migrant fails to find a good paying job elsewhere. Second, the returns to the human or financial capital accumulated in the destination areas are higher at home. Third, the cost of living is lower at home than in the destination areas. The second reason can be closely linked to the return migrant as an investor. The other two reasons envision the return migrant more as a consumer. These three explanations given by Stark show that return migration can be seen as an integral part of labour migration. Borjas 1994 (as cited in Taylor and Martin, 2001) explains return migration as a part of optimal life-cycle decisions. He believes that when a migrant immigrates they realize that at a certain point, when physical and human capital is obtained in

the host country, it is more optimal to return to their home country because the value of their obtained capital will be higher there.

Another way in which the reason for return migration could be explained is through place attachment and the search of people to find a home. Place attachment can be described as the attachment that people have with certain places or landscapes. These ties are usually the result of a long time connection with a particular place. According to Stockdale (2012) migrants are drawn to places which give them the ability to express and enable identity which give them a sense of home. With the use of place attachment these symbolic and emotional ties of sense of home can be constructed. Although it might seem that place attachment and migration are each other's opposites it could be used to explain return migration. For example, according to Gustafson, 2001 (as cited in Stockdale and al, 2012) people give their life paths meaning by remembering places in which they have lived for long, or at significant, time. Usually the places which can be associated with childhood, adolescence or parenthood are very much personalized and are an important part of a person's identification. When people are becoming older and reach the midlife age place attachment becomes more important. People start looking for a place which they can call home and usually the places where they have family roots is the place where they can find this. For this reason place attachment can be seen as an important motive for return migrants to move back to their region of origin (Stockdale 2012).

Furthermore the period of time that a migrant is not living in its region of origin might influence the probability of their return. Massey, 1987 (as cited by Zhao, 2002) found that the probability of return declines as the cumulative length of migration increases. One more year of migration above the mean length reduces the probability of return by 2.2%. So over time the probability of return migration declines. When a person migrates for a longer period of time it becomes easier to handle the risks of settling. Massey believes that for this reason the probability of return migration declines. Also a longer settlement in another region creates social and economic ties with that region which could make return migration more difficult.

As mentioned before, return migration became noticeable in the nineteenth century. According to Murphy, 1999 (as cited by Zhao, 2002) it is estimated that about one-third of all migrants return to their native homes. Although return migration plays an important role within migration, it is not yet known what role return migrants have in their native communities.

### *2.3 Impacts of return migration for rural areas.*

It is important to discuss the possible effects of return migration for the rural areas. These rural areas are usually the regions from which the person migrated and to which he or she later returned. Zhao (2002) conducted a research about return migration in China. She found that return migrants invest twice more in productive farm assets as compared to non-migrants. Besides that the study showed that earlier returnees invest even more than recent returnees.

This is an important finding because if return migrants in Castelo Branco are also more likely to invest in farm machines it may also contribute to more economic growth in the region. Another research about return migration in China is conducted by Démurger (2011). In his research he mentions Hukou which is a complicated set of rules about for example rural entitlements to land. A rural Hukou can provide a safety net for migrants because it gives rural migrants the right for arable land in their native villages. Because of Hukou migrants tend to keep close ties with their native village and usually return to their home community within several years (Démurger, 2011). Also this Hukou system can be linked to Castelo Branco. If return migrants have a parcel of land in the region they might be more likely to return.

Much literature about migration discusses the propensity of return migrants to become self-employed when they return to their native region. A general view about becoming an entrepreneur in the literature is that individuals undertake self-employment if their expected utility from self-employment is higher than as a wage worker (Démurger, 2011). The choice to become an entrepreneur depends on the utility of the individual. According to the literature, migration could have an effect on entrepreneurship. For example Mesnard, 2004 (as cited in Kurdar, 2000) finds evidence that high savings brought back from migration positively influence the choice to become an entrepreneur after return.

The higher propensity of return migrants to become self-employed is an internationally documented phenomenon (Démurger, 2011). Return migrants are likely to bring back accumulated human, social and financial capital gathered through working experience outside their original home region. All these different types of capital support the return migrant to start their own business. Besides that Murphy, 2002 (as cited in Démurger, 2011) found that a temporary stay in an urban area enables migrants to gather management experience and contacts with different businesses. These experiences and contacts can help them to establish a business in their native region. In general the literature about migration and entrepreneurship finds that return migrants have gathered various forms of capital outside their home region which increases the likelihood to become self-employed. It is important to look at entrepreneurial activity when studying economic growth since entrepreneurial activity is often considered as a key component in the development process (Démurger, 2011). Agriculture can also be seen as an entrepreneurial activity since a farm is a business in itself. One important concluding aspect is that many studies also find that returnees return to their region of origin because they became retired and want to enjoy their pension. These people will not establish a business and will not be involved in innovative projects. They will not act as an investor but as a consumer. According to Kasimis et al. 2003 (as cited in Stockdale 2006) this type of return migration is very common in parts of Southern Europe.

#### *2.4 Unemployment rates, entrepreneurship and urban-to-rural migration*

At the time this paper is written Portugal has been suffering an economic recession for several years. This crisis has almost certainly a large influence on the migration patterns. António Realinho is a consultant for rural development and an editor of the magazine *Vidas e Veredas da Raia* (VIVER). He believes that the rural areas can solve the crisis in Portugal. According to António Realinho, the rural and urban areas together make up our world. For this reason he believes that also during the crisis the urban and rural areas are connected to each other. With the use of hole (crisis), screw (rural) and the nut (urban) he tries to explain this connection. If the crisis would be a product of the urban, symbolically the rural is the screw that goes into the nut. The nut without a screw is just a hole. The food and services of the rural can be seen as the fuel for the urban area. The urban area can grow and develop because the rural areas provide it with food and services. With the current crisis there are more nuts than screws, more consumers than producers which creates an imbalance between the rural and urban. When there is an imbalance between the rural and urban areas the differences between both regions become even more visible and larger.

António Realinho believes that the production of more screws is the solution for this imbalance and the crisis. When Portugal becomes more rural and produces and sells more products the crisis will be overcome. Besides producing more products António Realinho also stresses that the policies towards the rural areas need to change. Policies need to make the rural more attractive so that more people will move to the rural areas. At the moment the crisis in Portugal has already triggered some young people to migrate to the rural areas. They can be seen as the new opportunities for the rural areas (Realinho, 2012).

The high unemployment rate in Portugal can be seen as one of the reasons for the movement of young people to the rural areas. The high unemployment rate can also be associated with the current crisis in Portugal. Table 1 shows the unemployment rates of Europe in 2010. The unemployment for youth in Portugal (ages 15 to 24) is for men 21.2% and for woman 23.7%. The unemployment rate for adults in Portugal (ages 15 to 64) is for men 10.4% and for woman 12.5%. Especially for the youth this is a very high unemployment rate.

	Youth (ages 15 to 24)		Adults (ages 15 to 64)		Ratio of youth unemployment rate to total unemployment rate
	Men	Woman	Men	Woman	
Portugal	21.2	23.7	10.4	12.5	2.0
Netherlands	8.8	8.6	4.5	4.5	1.9
EU (27 countries)	21.6	20.00	9.7	9.7	2.2
OECD average	17.6	15.7	8.5	8.1	2.0

Table 1: Unemployment rates in EU and selected OECD countries in 2010, (Eurostat OECD Statistics)

Table 2 shows the youth employment of people under the age of 25. The unemployment rates are given of various years from 2002 until 2011. As can be seen, the youth unemployment in Europe has increased in the last ten years. The substantial rise of the youth unemployment is partly due to the financial crisis in Europe. Because of the crisis it has become more difficult for people to find a stable and secure job. For this reason more and more young people are now looking for new alternatives (Brul, 2012). Some young people from the big cities in

Portugal, such as Lisbon and Porto are becoming interested in (organic) farming. When these young people are not able to find a job in the cities they might migrate to more rural areas as Castelo Branco and try to earn an income there with (organic) farming.

	2002	2005	2008	2011
Portugal	14.3	19.8	20.2	30.7
Netherlands	5.4	9.4	6.3	8.6
EU (27 countries)	18.3	18.8	15.8	22.3
OECD average	13.4	13.4	12.7	No data

Table 2: Annual youth unemployment rates under age 25, (Eurostat OECD Statistics)

Entrepreneurship can also be related to the unemployment rates. Since it became harder for young people to find a well paid job more young people become interested in self-employment. According to LEED (Local Economic and Employment Development), 40% of the youth in Europe are interested in self-employment. A youngster with a parcel of land can be a good example of self-employment in a rural area. The figure below shows the perception of the feasibility of self-employment in 2009. As can be seen the perception of feasibility for people aged 15 to 39 years is around 40%, which is relative high. Also men have higher attitudes towards feasibility of self-employment than woman. However it might be difficult for the young adults to start their own business because of the lack of knowledge and finances. But on the other hand the economic crisis also makes it difficult for young adults to find a job. For this reason the decision to become self-employed might be easier.

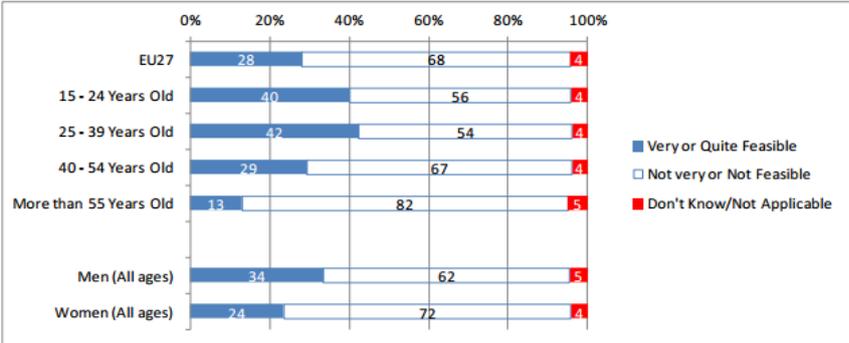


Figure 4: Perception of the feasibility of self-employment in 2009, (‘European Commission (2009), Eurobarometer, ‘Entrepreneurship in the European Union and Beyond’)

The high youth unemployment rates can be an extra stimulus for migration to rural areas. Since in the cities it is difficult to find work, people will search for other ways to earn money. For this reason if parcels of land are available for the migrants they will probably come and try to earn money there.

An example of this is the municipality of Marvão, which is situated in Evora close to the Spanish border. Here a plan is developed to restore old houses and turn them into a business district. The plan is to select about 29 families from the city for this project. At the moment there are more than 300 families on the selection list. The project is implemented to stimulate revitalization and population size. Next to the business aspect the project will also focus on

tourism. The municipality of Marvão is also stimulating the project by giving the new migrants money to help them restore the house. (Ribeiro, 2009)

In 2011 one of the instigators of the project, Frederick Lucas told in an interview with TSF Rádio Notícias that many people who moved to the rural areas do not want to return to the city anymore. According to him one of the reasons for this is the economic crisis. More people are interested in moving to the rural areas because in the cities the cost of living is increasing while the incomes are decreasing. Besides this motive people also want to stay in the rural areas because they like the way of living there.

Frederick Lucas also mentioned the speech of the President of Portugal in June 10, 2011. In this speech the President emphasised the potential of the farmlands in the interior of Portugal and warns that desertification might happen if no one works the fields. For potential migrants this could form a stimulus to migrate to the rural areas. However according to Lucas potential migrants are also worried because they will have to lead a different type of life than they were used to. This type of living is according to Frederick Lucas a way of living that has yet to be born in Portugal.

## 2.5 *Summary*

Migration is considered as the movement of people from one geographical region to another which may be on a temporary or permanent basis (Gbemiga Adewale, 2005). The reason for migration differs from one person to another and usually depends on the personal situation of the migrant. Different academics have studied migration and the reasons for migration. For example the human capital model sees migration as a human capital investment which will improve the prospects on the labour market for the migrant. According to the human capital model the anticipated returns of migration depend on the person who is migrating, where they are moving to and whether the migrant is primarily a supplier of labour, an investor, a consumer and/or a producer (Shields and Shields, 1989 as cited in Morrison 2011).

The migration of young people from the rural to the urban area places a greater burden on the farmers. They now have to work on the land without the help of young adults and might not be able to find a successor for the farm. In the end this will mean that the land will become abandoned. Muilu and Rusanen, 2003 (as cited by Stockdale 2006) claim that this is part of the reason why young people have a key position in the future of remote rural areas. However according to Stockdale (2006) out-migration is not necessarily the main issue; rather the small number of people that return to the region is a problem.

In the broad sense return migration refers to the return of a migrant to the last place of residence or birthplace. According to Murphy, 1999 (as cited in Démurger, 2011) it is estimated that about one-third of all migrants return to their native homes. Stark, 1996 (as cited in Zhao, 2002) describes three reasons why a migrant might decide to return to their native homes. First, return migration occurs because the migrant fails to find a good paying job elsewhere. Second, the returns to the human or financial capital accumulated in the destination areas are higher at home. Third, the cost of living is lower at home than in the destination areas.

Return migrants are likely to bring back accumulated human, social and financial capital gathered through working experience outside their original home region. All these different types of capital support the return migrant to start their own business and increase the likelihood from a return-migrant to become self-employed.

At the moment the crisis in Portugal has already triggered some young people to migrate to the rural areas. They can be seen as the new opportunities for the rural areas (Realinho, 2012).

## Chapter 3. Castelo Branco an Agricultural Region

### 3.1 Agriculture in Portugal

The agriculture of Europe has changed significantly in the past 25 years. One of the factors that has altered in agriculture is the aging of the population. More than 450.000 farmers have stopped farming and 180.000 hectares of land has been left uncultivated or became afforested (LEED, 2012). In general small farms went out of business while the larger farms survived. A reason for this are the economies of scale in agriculture. In order to survive farms have to grow larger and produce more. The smaller farms that financially could support growth were able to survive and the ones who could not compete with the large supplied quantities went out of business. The figure below shows the share of the European member states in the gross-agricultural production value for the year 1994 and 2001. Portugal is the fourth country on the right side of the table. As can be seen the share of Portugal for the total agricultural production value of Europe is not large.

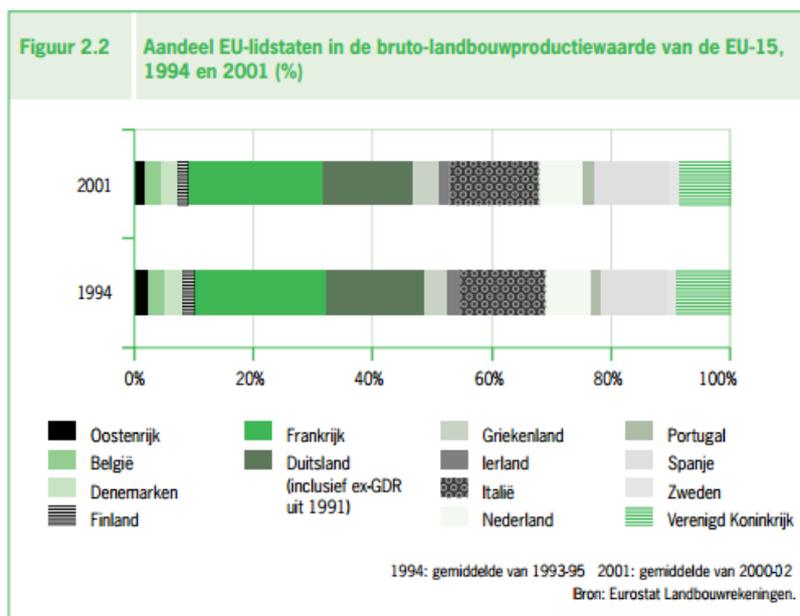


Figure 5: Share of EU member states in gross agricultural production value of EU 15, (Eurostat landbouwrekeningen, 2012)

Portugal is situated in the most western part of the Iberian Peninsula, in South-western Europe. Besides the mainland Portugal also has archipelagos territories, which are the Azores and Madeira (INRB, 2008). The mainland of Portugal can be divided into two distinct zones. The first zone can be described as the interior. Here the climate is Mediterranean and the majority of the activities are centred around the primary sector. The region of Castelo Branco can be found in this zone.

In the other zone, called Littoral, the Atlantic climate is dominant. About 90% of the Portuguese industry is located in this zone just like the largest cities of Portugal such as Lisbon and Porto. The majority of the population also lives in this part of Portugal. About 82% of the population lives in this zone while only 14% of the population lives in an interior

region such as Beira Interior (INRB, 2008). According to the INRB (2008) this difference in the distribution of population can be explained due to the climatic and agricultural characteristics, the low agricultural productivity and the income as well as the major localization of the secondary and tertiary sectors in the littoral zone. The INRB (2008) claims that only 26% of the land in Portugal has true agricultural capacity. For this reason many parts of Portugal might not be seen as very suitable for agriculture.

In the past Portugal had been a relatively closed country; this had its affect on agriculture. One of the effects was a protected agriculture wich was underdeveloped and lacking in innovation. However in 1986 Portugal joined the European Union and went through a period of transition in which the country also became more open again. Since its accession Portugal has received financial support for agriculture from the European Union. Despite the support the productivity of the agriculture is lower than in other countries of Western Europe, due to the small scale of farms, outdated production methods and distribution systems. Besides the low productivity also many agricultural products need to be imported. The reason for this is the declining production and the increasing domestic demand (Interfarms, 2011).

For Portugal, the main classifications of land use are arable land and permanent crops with a total of 2 million hectare. 0.7 Million hectare is used for permanent crops, 530.00 hectare is used for permanent pasture, 3.6 million hectare is used as forest and woodland and 2.3 million hectare can be classified as other land. As for produced goods, Portugal is one of the largest producers of wine and cork in the world (LEED, 2012).

Portugal has reasonably good land for agriculture. One of the largest problems however is irrigation. Because of the influence of the Atlantic Ocean not much irrigation is possible, also not everywhere there are capabilities for irrigation. This is a problem especially for a dry and warm country such as Portugal. Along the rivers however the land is better and here more options for irrigation can be found. The possibility for irrigation is also reflected in the prices of land. These prices are between 5.000 and 10.000 Euros per hectare, depending on the quality and surrounding of the land. The prices of the land increase when the possibility of irrigation exists (Interfarms, 2011).

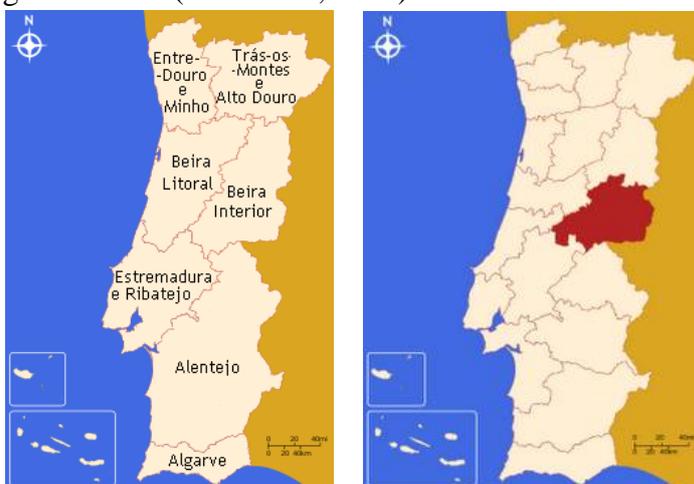


Figure 6: Nuts 3 regions Portugal, (<http://regioes.blogspot.pt/>, 2012)

Figure 7: District of Castelo Branco, (<http://estrategiaexcelencia.blogspot.pt/>, 2012)

As can be seen on the map of Portugal, the country can be divided into different (sub) regions. For example, the region of Castelo Branco can be found in the region Beira Interior. In the region of Beira Interior olive farms, cattle-rearing and fattening farms, sheep, goats, other grazing livestock and other field crops dominate in the field of agriculture (Instituto Nacional de Recursos Biologicos, 2008). The olives and grapevines are probably the most important crops of the region. As mentioned before Portugal is one of the major producers of wine in the world. One of the most important wine cultivators of Beira Interior can be found in Marufo. But next to wine also the production of olive-oil is important in Portugal. The two most important olive tree cultivations of the Beira Interior can be found in the region of Castelo Branco. To be more precise they are located in Cordovil and Bical (INRB, 2008). The INRB (2008) produced a table which shows the production of agriculture in percentages for the different regions of Portugal. The region of interest for this study is Beira Interior which is denoted as BI.

OTE	% SAU							Mainland
	EDM	TMAD	BL	BI	RO	ALE	ALG	
Permanent Crops	9.4	31.3	9.0	13.6	9.2	3.8	23.8	10.0
Vegetables and Flowers (open field and glass houses)	0.3	0.1	0.2	0.0	0.6	0.0	1.5	0.1
Rice	0.0	0.0	3.4	0.0	0.7	0.9	0.0	0.7
Arable Crops	0.3	0.3	4.1	0.7	7.9	15.1	1.7	9.2
Cattle Rearing and Fattening	3.5	4.1	1.4	4.5	6.5	10.9	1.8	7.8
Fresh Fruits (including Citrus)	0.4	1.3	1.3	1.3	6.2	0.2	30.0	1.9
Dry Fruits	0.0	4.3	0.1	0.2	0.0	0.0	6.3	0.8
Vegetables	0.0	0.0	0.0	0.0	3.9	0.3	0.1	0.6
Vegetables/Flowers (open field)	0.7	0.0	0.8	0.1	3.5	0.2	0.6	0.6
Olive Tree	0.0	6.9	0.7	7.0	6.0	3.3	0.7	4.1
Other Cultures	3.0	1.3	10.2	3.8	11.6	4.4	2.5	4.8
Wines and Table Grapes	0.3	0.5	0.2	0.3	9.9	0.7	1.3	1.6
Quality Wines	8.1	9.7	4.1	2.8	0.7	0.6	0.0	2.6
Dairy Farms	17.1	5.0	13.4	4.2	2.7	0.8	0.0	3.4
Pork/Poultry	0.2	0.9	5.3	0.4	3.1	3.3	2.4	2.5
Sheep and Goats	0.5	4.9	4.3	17.8	2.2	6.8	5.8	6.8
Dairy Farms	41.3	23.7	22.7	38.9	16.2	39.6	12.9	33.7
Pollicropping (except permanent crops)	14.7	5.7	18.9	4.2	9.2	9.0	8.5	8.9

Table 3: Different types of farming (OTE) and their distribution in Agrarian regions, (Aviliez et al, 2004)

The table shows that dairy farms (38.9%), permanent crops (13.6%) and sheep and goats (17.8%) are the most important agricultural activities in Beira Interior. Partly due to the warm climate dairy farms are an important agriculture activity in the region. Because of the warm climate cows can stay outside all year long. In the summer however, cows need to be protected from the warm sun. Hence the cattle is usually kept in semi-open stables. Besides the cows, also the grass needs to be protected from the warm sun in the summer. For this reason irrigation is important. By sprinkling the grass it will not die and this way it becomes possible to get a higher crop yields (Interfarms, 2011).

When looking at produced crops in Beira Alto the most common crop is the permanent crop. A permanent crop is a crop which lasts for more than one season. Potatoes, beets, wheat and corn are arable crops which have to be replanted every year after harvesting.

Examples of a permanent crop are olives, wines, fruit trees and coffee. In Portugal the largest wine areas are located in the northern part of the country in areas such as Beira Interior. About 50% of the wine production is exported abroad (Interfarms, 2011). It is expected that

next to wine olives form the majority of the permanent crops that are cultivated in Beira Interior.

A growing market within agriculture is organic farming. The table shows that in Beira Interior also sustainable agriculture is applied through poly-cropping (4.2%). Poly-cropping is the opposite of mono-cropping where rows of corn, potatoes etcetera are all planted on one field instead of on different plots. Poly-cropping is considered to be a sustainable way of agriculture since a more diverse way of planting is considered as better for the land. Next to this the production of biological products in Portugal grew with 60% in 2011 (Ministerio da Agricultura Mar Abiente e do Ordenamento do Território, 2012). The minister of Agriculture, Assunção Cristas, said that organic farming is of growing importance for the Portuguese economy. She stresses the point that organic farming is important for the consumer because it feels safe when buying biological but that it is also better for the environment. Besides that it is also important for the economy of Portugal. Organic products are becoming more popular on the European market and with an increase in organic products Portugal can increase its export to the large and demanding European markets.

Most of the organic producers of Portugal are young farmers. However there are many other young people who would like to become an (organic) farmer but are not able to do this because they have no land. The government wants to help these young people to find land. At the moment the government has land in its possession, this land will according to the Minister of Agriculture be provided to young people interested in organic farming (Ministerio da Agricultura Mar Abiente e do Ordenamento do Território, 2012).

One important problem of agriculture in Portugal is the aging of the Portuguese farmers. According to the president of Portugal, Cavaco Silva, no more than 12% of the farmers are younger than 45 years and this percentage has been declining in the last couple of years (TSF Rádio Notícias, 2011). In order to have a strong and growing agriculture sector in Portugal it is important to have young farmers who can take over the farms when the older farmers are retiring. As mentioned before by LEED in the last 25 years 180.000 hectares have been left uncultivated which is partly due to the aging of farmers. Besides that young people are usually more open to new ideas and are found to be more creative which is needed to create a strong innovative agricultural sector. For these reasons the Cavaco Silva believes that young people need to be encouraged to become a farmer. He believes that it is important to create a permanent and constructive dialogue between young farmers and the government. This way the government is more able to help the young farmers with the difficulties of obtaining access to land, bureaucracy, difficulties in funding and more (TSF Rádio Notícias, 2011).

Throughout the literature it became clear that Portugal finds it important to keep their import as low as possible. Especially the imports related to agriculture should be kept low because the country is suitable enough for the production of enough food for its inhabitants. However in order for this to take place good agriculture conditions need to be created. It is for example important to have good access to the land, technical support and stimulations for young people to settle as farmers. For Carvaco Silva especially the last aspect is important. He stresses that young farmers need to be nurtured since there are only few of them at the

moment while many young people are willing to become a farmer when there is a possibility of profitability (TSF Rádio Notícias, 2011).

### 3.2 *Side activities in Agriculture*

Next to agricultural activities, people in rural areas can be involved in side activities such as selling home made products. These side activities can become an important form of income and might, in time, even become the main source of income.

The rural areas of European countries are changing from an agricultural production to a multifunctional consumption space (Murdoch & Marsden, 1994 as cited in Markantoni 2012). This has stimulated the growth of side activities in rural areas. In the rural areas a higher demand for tourist activities and good quality regional food has emerged. With the use of side activities these demands can offer new opportunities for income generation for the rural inhabitants. According to Markantoni (2012) the new economic main or side-activities appear and contribute to the transformation of the rural economy, the viability of rural areas and the sustainability of rural society.

Markantoni (2012) explains that in the rural areas of Europe new economic opportunities are emerging that follow the decline in traditional agricultural employment. Markantoni claims that as a result the rural economy is no longer dominated by agricultural activities but by small scale activities such as service provision and landscape management. Next to the primary income source these activities can be seen as side activities for the farmers. However these side activities can also be created by non farmers: rural residents who decide to engage in a side activity. According to Markantoni (2012) this type of side activities can stimulate economic and rural development, offering new job opportunities and income generation for the rural inhabitants.

In the scientific literature side-activities are described as all the non-main-activities that are taking place on the spot of the rural household and include small scale industrial production, service provision, landscape management, tourism, or residential uses (Markantoni, 2012). Ilbery, 1998 (as cited in Markantoni 2012) believes that in the rural areas agricultural employment is declining. However new entrepreneurial initiatives such as side activities can be a substitute for this. Other scholars such as Bateman & Ray, 1994; Ilbery, 1998; Huylenbroeck et al., 2004; Van der Ploeg, 2003, Van der Ploeg, 2004 (as cited in Markantoni 2012) believe that agriculture is facing the influence of new national or international policy and market perspectives. A consequence of this is that many farmers are searching for new sources of income, including non-agricultural activities either on or off the farm.

As mentioned before both farmers and non farmers start side-activities. Especially among farmers the role of women is vital. According to Bock, 2004 (as cited in Markantoni 2012) it is usually the woman who starts with a new side-activity. In this way the woman will contribute to the household income and the development of the rural economy. However both farmers and non-farmers have the same main characteristics as initiator of side-activities. Initiators have a permanent residence in the countryside and on the spot of their household they run a side-activity (Markantoni, 2012).

To conclude, the research of Markantoni (2012) asserts that side-activities can be categorized into three groups. In the majority of the cases side-activities consists of the selling of home-made products and services (44%). Tourism (37%) was the second main category and art, antique and curiosa (19%) all together comprise the third main side-activity. Markantoni (2012) also described the four main motivations why people start their own side-activity. Interest/hobby, financial, social contacts, and independence can be considered to be the most important reasons. People are more likely to start a side-activity because of their interest/hobby than for their financial situation.

### 3.3 Castelo Branco

The Instituto Nacional de Estatística (INE) can be seen as the statistical database of Portugal. In this chapter the data of INE about the population distribution, economy and agriculture of Castelo Branco will be discussed.

#### Population:

Figure 8 shows the annual population growth of Castelo Branco between 1991 and 2007. Since 2001 the population of Castelo Branco is declining and in 2007 the population growth is about -1%.

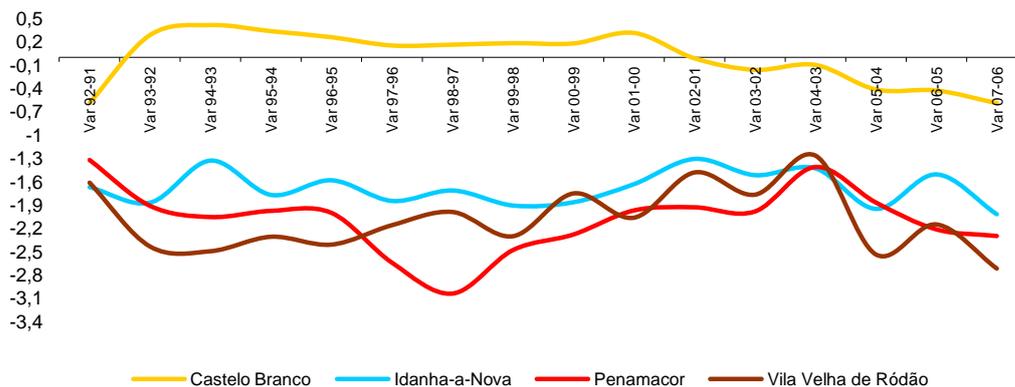


Figure 8: Evolution of annual population growth, 1991-2007 (%), (INE, *Estimativas Anuais da População Residente*, 2008)

Table III in the appendix shows that in Castelo Branco there is a relative high amount of people aged 65 or above compared to the other age groups. According to INE, on 31 December 2010, 13.418 people were aged 65 or above. 35.583 people were between 15 and 64 years and 7108 people were aged below 15.

This means that almost 24% of the population is aged above 65 years while only 12.7% of the population is aged below 15 years. The numbers would suggest that Castelo Branco is suffering from population decline.

Also the birth and death rates provided by INE suggest that there is population decline in Castelo Branco. In 2010, 447 people were born while 691 people have died. This means that in 2010 there was a mortality surplus of 244 people. However the foreign population in Castelo Branco with a legal status of residence in 2010 was 1251. This is a relative large number since in the whole region of Beira Interior 1610 foreign people have a legal status of

residence. This means that almost 80% of all the foreigners in the Beira Interior region live in the municipality of Castelo Branco. Since Castelo Branco is facing a natural population decline foreigners could help to reverse the depopulation trend.

#### *Economy:*

The Instituto Nacional de Estatística also provides data about the economy of Castelo Branco. Table VIII in the appendix shows the amount of registered companies in 2009. The four sectors with the most registered companies in 2009 are: wholesale and retail trade, repair of motor vehicles and motorcycles (1298 companies), construction (618 companies), consulting activities, scientific, technical and similar (569 companies) and other service activities (572 companies). The agricultural sector is not part of the top four. This is because only ten companies were registered as working in the agriculture sector, which includes animals, forest products and hunting and fishing. This could mean that there are only very few farms in the region of Castelo Branco. However looking at the data about agriculture in Castelo Branco this seems not very likely. It seems more logic that a majority of the farms are small-scaled and as such not registered as an agricultural company. The percentage indicator of purchasing power in 2005 was 0.5185 which is one of the highest for the region of Beira Interior.

#### *Agriculture:*

Finally, through data provided by INE, the agriculture of Castelo Branco will be looked at. The tables give an indication about the amount of land used for agriculture and the number of people working in agriculture.

As can be seen the utilised agricultural area per farm in Castelo Branco is approximately 11.9 hectares. In comparison with the Netherlands this is relative small since the average utilised agricultural area of a Dutch farm is 26 hectares (Reitsma, 2009). As can be seen in the tables the average production income per hectare is 652 euros. This means that a farmer will have an income of 7758.80 euros per year when he has an average farm of 11.9 hectares. Looking at the average income it seems that the agriculture in Castelo Branco is mainly small-scaled. Although the income is not large still a substantial amount of people are working in agriculture. In 2009, 1732 men and 1122 woman were working in agriculture. This suggest that agriculture is of importance in Castelo Branco. Nevertheless, also here the aging of farmers is visible. Since 2108 farmers in Castelo Branco are aged 55 or above.

### *3.4 Agriculture and the Economy of Castelo Branco*

Castelo Branco is part of the Beira Interior region and is situated in the interior of Portugal. In the interior the population levels are low since only 14 percent of the population lives there (INRB, 2008). This also means that there is a lot of space for agriculture. One of the most common types of agriculture in Castelo Branco is extensive farming. Many farms have cows, sheep or other types of livestock, however olives and grapevines can be seen as the most important crops of the region. Besides agriculture people can be involved in side activities such as tourism. With these side activities they are able to earn some extra income. These activities can eventually grow to the main source of income. Table VIII shows that not many

agricultural companies are registered in Castelo Branco. This would suggest that there are not many farms in the municipality and that only ten farms have a significant impact on the economy of Castelo Branco. However the tables also show that many people are still working in agriculture. This means that people are able to get a reasonable income from agriculture which makes it still of reasonable importance. Partly for this reason it is expected that the agriculture is mainly small-scaled. To conclude the average age of the population and farmers is increasing. This is a problem for the municipality because with fewer young people there are also less people to take over the farms. For this reason the aging of the farmers is one of the most important problems for agriculture.

### 3.5 *Agriculture, Economy and (Return) migration: Five hypotheses*

From the literature review on migration and agriculture in Portugal in general (chapter 2) and Castelo Branco in particular (chapter 3), five hypotheses have been generated. These hypotheses will be tested in the following chapters of this paper. Below each of the hypotheses are briefly explained.

1. *The current economic crisis creates an extra stimulus for migrants to move to rural areas such as Castelo Branco.*

At the time this research is conducted, Europe and also Portugal are in the middle of an economic crisis. During this crisis the unemployment rate went up in Portugal. In 2010 the unemployment rate for youth in Portugal (ages 15 to 24) for men is 21.2% and for women 23.7%. The unemployment rate for adults in Portugal (ages 15 to 64) for men is 10.4% and for women 12.5%. Especially for the youth this is a very high unemployment rate. According to Brul (2012) the crisis made it more difficult for people to find a stable and secure job which made more and more young people look for alternatives. He claims that more people from big cities such as Lisbon are, partly due to this reason, now becoming interested in (organic) farming. However unemployment rates are also related to entrepreneurship. When it becomes more difficult to find a paid job people are becoming more interested in self-employment. According to LEED in 2010 40% of the youth in Europe is interested in self-employment. A farm can be seen as a company and for this reason agriculture can be considered as a form of self-employment.

2. *Return migrants will act as an investor in Castelo Branco.*

Zhao (2002) conducted a research about return migration in China. She found that return migrants invest twice as much in productive farm assets compare to non-migrants. If the return migrants of Castelo Branco are also more likely to invest in farm assets it could contribute to more economic growth through agriculture in the district. For this reason it is important to find out if the return migrants will act as an investor or as a consumer. Since it is estimated that about one-third of all migrants return to their native homes it became important to find out which role the migrants would take up (Murphy 1999, as cited in Démurger, 2011).

If economic growth in the native region needs to be stimulated it is important that the return migrant will act as an investor.

3. *The majority of the farms in Castelo Branco are based on small-scale agriculture and for this reason hardly generate a sufficient income.*

The Instituto Nacional de Estatística, (INE) shows the statistics of Portugal, including data about the agriculture of Castelo Branco. According to INE the utilised agricultural area per farm in Castelo Branco is approximately 11.9 hectares, which can be considered as small-scale. Also the average production income per hectare is small. According to INE this is in Castelo Branco 652 euros which means that an average farm of 11.9 hectares has an income of 7758.80 euros per year. A reason for this type of small-scale production could be found in the past. Before Portugal joined the European Union in 1986 it was a relative closed country which had its effects on agriculture. In this period for example the agriculture was protected which caused underdevelopment and lack in innovation. Since Portugal joined the EU it received financial support but because of the small scale of the farms, the outdated production methods and distribution systems the production of agriculture is still relative expensive and low compared to other European countries (interfarms, 2011).

4. *In a traditional Portuguese region like Castelo Branco agriculture will form the basis for the economy of the region.*

In a traditional area like Castelo Branco where not much industry can be found the basis of the economy might still be agriculture. If agriculture only plays a small part in the economy of the region it would be unlikely that it is able to stimulate reasonable economic growth.

The tables of INE show that a substantial amount of people are working in agriculture which suggests that agriculture is still important for the region. In 2009, 1732 men and 1122 woman were working in agriculture.

Besides agriculture it is possible that farmers are involved in side activities such as tourism in order to earn an extra income besides the main source of income. These side activities can become an important form of income and might, in time, even become the main source of income (Markantoni, 2012).

5. *Because of the age structure of the farmers in Castelo Branco, there are plenty of options for young migrant farmers to start or take over a farm in the near future*

The statistical data provided by INE shows that the amount of people aged 65 or above is relative high compared to the other age groups. According to INE, on 31 December 2010, 13.418 people were aged 65 or above. 35.583 people were between 15 and 64 years and 7108 people were aged below 15. This means that almost 24% of the population is aged above 65 years while only 12.7% of the population is aged below 15 years. Also the birth and death rates of Castelo Branco suggest that the population is declining. In 2010 447 people were born while 691 people have died, this means that in 2010 there was a mortality surplus of 244 people. Not only is the population in total aging also the farmers are becoming older. In 2009, 2854 people were working in agriculture and 2108 of them were aged 55 or above (Instituto

Nacional de Estatística , 2012). This shows that in the agriculture sector of Castelo Branco the aging of farmers forms a significant problem. According to the president of Portugal, Cavaco Silva, no more than 12% of the farmers are younger than 45 years and this percentage has been declining in the last couple of years (TSF Rádio Notícias, 2011). When there are no young farmers who are able to take over the farm the land will be abandoned and production will decrease which is not good for the economic growth of the region.

Since the population of Castelo Branco is aging and declining, young migrants are necessary to stop this decline. Also for the economy and the agriculture sector this is important since young migrants can help reduce the aging of farmers and decrease in production. Besides this young people are usually more open to new ideas and believed to be more creative which is needed to create a strong and innovative agricultural sector.

## Chapter 4. Migration to Castelo Branco: impact on agriculture and economy

In this chapter the third research question will be discussed: in what ways can migration to Castelo Branco impact the agriculture and the economy of the region?

This sub-question and the final sub-question, which will be discussed in the next chapter, will partly be answered with the use of interviews. In total, 4 interviews are conducted (see Appendix B). Also, statistical data and my own view on the subject will be used to answer the questions.

### 4.1 Rural region in decline

Year	city	Change %	Municipality	Change %	District	Change %
1950	14865		63305		324577	
1960	17616	18.51%	55195	-0.34%	316596	-2.46%
1970	20792	18.03%	54908	-12.52%	255575	-19.27%
1981	23570	13.36%	54210	-0.52%	234230	-8.35%
1991	27267	15.69%	54310	-1.09%	224913	-3.98%
2001	30449	11.67%	55708	2.57%	216505	-3.74%
2011	35161	15.48%	56033	0.58%	195949	-9.49%
		136.54%		-11.49%		-39.63%

Table 4: Population change of Castelo Branco, (João Carvalhinho 2012)

Castelo Branco can be described as a rural region in decline. The table above has been provided by João Carvalhinho, employer of the municipality of Castelo Branco. In the table a distinction is made between the city of Castelo Branco, the municipality of Castelo Branco and the district of Castelo Branco. As can be seen, the city of Castelo Branco has been growing since the 1960's. The municipality and the district however show numbers of decline, especially in the district the population is declining. According to João Carvalhinho, the municipality been able to stop the population decline because the city of Castelo Branco has been growing. This growth of the city was able to stabilize the population in the surrounding land as well. Table 4 shows that between 1950 and 2011, the city of Castelo Branco share in the total population of the district increased from 4,6% to 17,9%. In the same time period, the city's share in the total population of the municipality increased from 23,5% to 62,8%. The total population in the district of Castelo Branco, outside the city of Castelo

Branco, has dropped significantly from almost 310.000 in 1950 to 160.000 in 2011. Clearly, the rural area outside the city of Castelo Branco has suffered from population decline.

In the district of Castelo Branco, mainly small and remote rural villages can be found. Here is no natural growth and people are migrating out of these regions closer to cities such as Castelo Branco or to the coastal regions. For this reason the population has been decreasing for a while and it is not likely that this decrease will be stopped soon. Also Anselmo Cunha and his colleagues of the Ministry of Agriculture in Castelo Branco and José Coutinho, professor of the school of Agriculture in Castelo Branco confirm this process of population decline in the district of Castelo Branco. According to José Coutinho, there is a tendency for the concentration of people in and around cities such as Castelo Branco, which leads to the desertification of rural villages further away in the district. A result of this concentration is that the average age of the villagers in the district is increasing. For example it becomes more common that in a small rural village the youngest inhabitant is 70 years old. In a period of twenty years time it is very likely that some of these villages will be completely abandoned.

It becomes clear that population decline is one of the most important problems of the region. In Castelo Branco population decline started many years ago, around 1960. In this period many people migrated to other countries in Europe such as France and Germany or to the bigger cities in the coastal parts of Portugal. Since then the process of out-migration never stopped and for this reason Castelo Branco is now suffering severe population decline. José Coutinho believes that, partly due this long period of population decline, it is difficult to change the situation. Anselmo Cunha is of the opinion that it is not possible to change out-migration into in-migration in the near future.

The decline of the population causes a snowball effect for the region of Castelo Branco. With a snowball effect is meant that population decline has an influence on many aspects in the region. The most severe problems related to population decrease and caused by out-migration can be found in the hinterland of Castelo Branco. According to João Carvalhinho the hinterland is facing risk of abandoned land. It will increase the likelihood of fires, create a problem of social security and form an incentive for the transformation of schools into facilities that support elderly people. This process can also be called social desertification and is happening because agriculture is the social connection of these villages and when it dies it arouses a decline of the population and quality of life (Van der Ploeg, 2011).

Furthermore population decline in Castelo Branco is not only occurring because of out-migration but also because the natural growth rate is low. A consequence of this is that the population is aging and also the farmers are becoming older. The aging of farmers is also visible in Castelo Branco. According to José Coutinho about 80% of the farmers are aged between 45 and 75 and less than 2% of the farmers is younger than 25 years. He also noticed that young people are becoming less interested in agriculture. The amount of students studying agriculture has been declining in the last couple of years and it is not expected to increase in the near future.

A consequence of this aging of farmers is that there are not enough young farmers to take over from them when they retire. This means that land is not being worked on and in the end

can become abandoned. The process can also take place in the region of Castelo Branco and creates the suggestion that there is enough land available for in-migrants wanting to work in agriculture. However João Carvalhinho explains that land is one of the most important problems for migrants. The people, and especially the older people, have very strong connections to the land. These connections arise from the revolution of 1964. In this period the land was taken from the workers and came in the hands of the government. After the revolution a reformation took place whereby the land was given back to the workers. This stimulated the strong social and traditional connection between the people and the land. These strong connections make it for in-migrants nowadays very difficult to buy or rent land. Especially the elderly people are still very connected to their land and even though they are not using their plots it is unthinkable for them to sell or rent the land to someone else. Also the value of the land is a problem because the landowners in Castelo Branco believe that the value of their land is the same as for the land in the urban region. This means that people want more money for their land than what is realistic. The government is aware of this situation and is trying to implement a legislation which states that after some years of abandonment the land shall be returned to the government. However this is a difficult legislation to implement and for this reason it has not been realized yet.

*The fifth hypothesis* suggests that the age structure of the farmers in Castelo Branco created plenty of options for young migrants to start up or take over a farm in the near future. In principle this hypothesis seems to be true. The majority of the farmers are old and are about to retire or have retired already. For this reason there should be plenty of options for young migrants to start or take over a farm in Castelo Branco. However in reality there are some problems which makes it difficult for migrants to obtain land. These problems have already been discussed above. The main reason however is that the majority of the (retired) farmers are reluctant to sell farmland to in-migrating farmers. Since they are not able to give up their land there is a shortage of land for young migrants. This situation might change in the future since the older land owners are dying which changes the relation between people and land. For now however the fifth hypothesis is true in principle but not occurring in reality because of practical problems.

#### 4.2 *The importance of migration*

Although table 4 gives an good indication about the population change of the city, municipality and district of Castelo Branco it did not show the reason of population change. During the interviews it was mentioned that the region of Castelo Branco is facing out-migration as well as in-migration. For this paper it is important to have a good overview of these migration flows in order to get a better understanding of the importance of in-migration. For this reason data about migration provide by INE, the statistical database of Portugal, shall be analyzed.

Table 5 shows the crude migration rates of Portugal, the Beira Interior Sul region and, most importantly, the municipality of Castelo Branco. The crude migration rate can be explained as the ratio of the net migration during the year to the average of the population in that year

(Eurostat, 2011). It shows the difference between in-migration and out-migration and is for this reason able to give an overview about the migration flows in Castelo Branco.

Place of residence	Crude migratory rate (%) by Place of residence; Annual											
	Data reference period											
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1995
	%	%	%	%	%	%	%	%	%	%	%	%
<b>Portugal</b>	0,04	0,14	0,09	0,18	0,25	0,36	0,45	0,61	0,68	0,63	0,46	0,22
<b>Beira Interior Sul</b>	-0,20	-0,09	-0,14	-0,07	0,04	0,18	0,24	0,36	0,41	0,49	0,41	0,44
<b>Castelo Branco</b>	-0,20	-0,09	-0,14	-0,08	0,03	0,18	0,25	0,37	0,42	0,65	0,68	0,78

Crude migratory rate (%) by Place of residence; Annual - Statistics Portugal, Demographic indicators

Table 5: Crude migration rate (%), INE (2011)

Table 5 shows that since 2007 the out-migration of the municipality of Castelo Branco is larger than the in-migration. However table 4 shows that in the period 2001-2011 the population of the municipality of Castelo Branco had increased with 0.58%. This number might be positive because the in-migration has been positive in the years 2001-2006. Also the natural growth rate in this period could be positive.

In the appendix table IV is added about the crude death rates (%) and crude birth rates (%) of the municipality Castelo Branco. In the period 2000-2010 the crude death rate has been higher than the crude birth rate. This means that the population growth of table four is not because of natural population growth. For this reason in-migration in the years 2001-2006 must have been of great influence in order to obtain a population increase in the municipality of Castelo Branco for the period 2001-2011. This would suggest that in-migration is very important for the population growth of the region and for this reason in-migration can be seen as essential for the municipality of Castelo Branco.

Almost everyone in Castelo Branco believes that it is very important for migrants to come to Castelo Branco. Not everyone however believes that migration to the region will actually happen and therefore describe migration to Castelo Branco as a dream. These people are also called ‘non-believers’ and they can be closely related to the human capital model. Anselmo Cunha, one of the non-believers, describes two reasons as to why he believes that young people are not coming to Castelo Branco to work in agriculture. Firstly it takes time before agriculture becomes profitable. However, most young people who want to start working in agriculture do not have an income and are not able to wait one or two years before making a profit. Furthermore many believe that agriculture is hard work. For people who are used to living in the city for a couple of years and who are not used to manual work this prospect of hard work is not appealing. According to João Carvalhinho people will also not come and work in the industry sector. The high unemployment rate makes it difficult to find a job in the industry sector or in any other sectors such as the services sector. The overall unemployment rate in Castelo Branco in 2011 was 7.8% which is relatively high (CCDRC, 2011)

As mentioned before the human capital model tries to explain an individual’s decision to move by looking at employment, which they believe is the most important reason for a migrant to move. According to this model a person will only move from one region to another

if it improves their conditions of employment. But since the unemployment rate in Castelo Branco is 7.8% and a profit in agriculture is not expected in the beginning the human capital model will find it not likely that migrants will come to this region. The non-believers such as Anselmo Cunha also believe that. Because of the lack of employment in Castelo Branco people are migrating out of the region instead of in to the region.

Also the municipality of Castelo Branco has looked at the demographic and migration patterns of the municipality. According to them there was a rural flight in the 60's and 70's which meant that many people were migrating out of the region. A consequence of this rural flight was population decline and population aging. Nowadays the young adults migrate to the larger cities such as Lisbon and Porto to follow an education there. These people who want to study in the larger cities are not able to stay in Castelo Branco and commute because the distance between the cities is too large. However according to Stockdale (2006) out-migration is not necessarily the main problem but the small number of people that return to region is a problem.

When young people leave to the cities to obtain knowledge and skills and afterwards return to their native region it could be beneficial for this native region. As has been pointed out in chapter two return migrants are more likely to become an entrepreneur and start a business in for example agriculture. These return migrants could stimulate the economy of the region.

According to João Carvalhinho and Rosa Bonacho the people who migrate to Castelo Branco are planning to stay in the region and are willing to invest in their farms. Rosa Bonacho is of the opinion that the people who migrated to the region and work in agriculture are aware of the market and understand that they need to be competitive if they want to make a profit. For this reason they invest in their farm and production system. João Carvalhinho believes that the migrants are investing in a life opportunity.



Figure 9: Harvest of herbs at Ervas da Zoe, (Ervas da Zoe, 2012)

*The second hypothesis* claims that return migrants will act as an investor in Castelo Branco. Since the decision to move to a rural area is a permanent decision it seems likely that return migrants will invest in their farms and for this reason act as an investor in Castelo Branco.

Rosa Bonacho is an employee of the municipality of Castelo Branco who works together with new in-migrating farmers. She confirms that the in-migrants are indeed investing in agriculture. For this reason the second hypothesis seems to be true.

Ervas da Zoe is a farm in the municipality of Castelo Branco with a diversity of products such as aromatic and medicinal plants. The owners of the farm moved to Castelo Branco about four years ago. They used to be electrical engineers but decided to buy the farm without any knowledge of agriculture. The reason for the move was the wish to live in closer harmony

with nature in order to obtain a better quality of life. This is also the reason why they became engaged in organic farming. At the moment their farm is still growing, partly due to the increase of demand from the market. More than 30 species of herbs and plants have been planted on approximately 1.9 hectares of land. Ervas da Zoe, however is still planning to grow and on the short term they aim to reach 3 hectares. This example of Ervas da Zoe shows that migration to Castelo Branco has been a life choice for them. Their plans for increasing the production show that they are planning to stay in the region.

Another migrant who moved from Lisbon to the district of Castelo Branco is Franz-Georg Binder. Originally Franz is from Germany, but he has been living in Lisbon for twenty years before he decided to move to the countryside. The reason for this move was the wish to live closer with nature. Just like the owners of Ervas da Zoe, he had no previous agriculture experience since he earned his income by teaching. Also for Franz-Georg Binder the reason for migrating was personal. He believes that his farm is probably not economically profitable but he prefers this lifestyle above the lifestyle he had in the city. Franz-Georg Binder explains that *'It is difficult to move to a rural area and it is only possible if you decide to live a poor life'*.

#### 4.3 Migration the solution?



Figure 10: Storage house surrounded by olive trees, Karin Ronde (2012)

As can be seen in table four the effect of population decline is most visible in the municipality and district of Castelo Branco. An explanation for this is that the depopulation is more severe in the rural and remote villages and the aging of the population. Furthermore young people tend to move to the larger cities because it

has more work opportunities and facilities. Overall we can conclude that the small villages with a majority of people aged 70 or older are not seen as an attractive permanent residence. With the use of table five and table VI in the appendix it becomes clear that in-migration is important for the region of Castelo Branco. In-migration is very much needed in the region and it might be a good solution to stimulate population growth and economic growth. However migration has been declining in recent years and not everyone believes that enough migrants will come to Castelo Branco and work in agriculture. Although Anselmo Cunha wishes that more migrants would come to Castelo Branco he fears that it will not happen in the strength needed to stimulate the economy.

It is interesting to look at the motives for migration in order to get a better understanding why people migrate to rural areas. The people who decide to migrate want to live in a rural area but at the same time they would like to be able to go to a city, such as Castelo Branco,

relatively easily. Especially for families it is important that there are schools and activities for the children nearby. For this reason migrants decide to move to a place which is no more than 30 or 40 kilometers from Castelo Branco. This means that people do move to the municipality of Castelo Branco but not to the more remote villages in the district of Castelo Branco. Table four also shows that the population of the district has been declining for years while in the municipality the population stays more stable.

After talking to many people in the city and Castelo Branco it became clear that the decision to move to a rural area is seen as a life changing decision which is difficult to make. Although many people in the city are thinking about moving to a rural area because of the better standard of living many people decide to stay in the city. There are many reasons why people decide not to migrate. For example they do not want to leave their friends, or they fear rural life will isolate them, or their children are not willing to change schools.

*The first hypotheses* suggested that the current economic crisis would create an extra stimulus for migrants to move to rural areas such as Castelo Branco. The literature suggested that high unemployment rates and the difficulty of finding a job in the city encouraged people to migrate to the rural areas in order to try to make an income with agriculture. Some projects are developed to stimulate and support migrants with their plans to move to a rural area. Frederick Lucas is one of the instigators for such a project in the municipality of Marvão. He claims that the economic crisis is a stimulus for people to move out of the city to the rural areas. This is because the costs of living become more expensive in the city while the wages are decreasing. José Coutinho believes that the crisis stimulates people to move to Castelo Branco. However he also believes that only a small amount of people are migrating. Franz-Georg Binder is of the opinion that people are still more likely to move from the rural areas to the city than vice versa. The municipality of Castelo Branco however is more optimistic. In their view the crisis is stimulating people to move back to the region. Although the municipality does not have official data about this movement they believe that in the past four, five years more people are returning to agriculture. Most of these people have not worked in agriculture before but have always been interested in agriculture. According to the municipality the migrants who are coming back are mainly young couples who try to make a living in small-scale agriculture.

In the end there is no straightforward answer to this hypothesis. The literature is suggesting that the crisis is stimulating more people to come to Castelo Branco. However at the moment there is not much official data about the effect of the crisis on migration. It seems that the crisis is stimulating people to move to the rural areas but at the moment only a small amount of people are actually migrating to Castelo Branco.

To conclude in theory migration can be seen as the perfect solution for the stimulation of agriculture and the economy of Castelo Branco. Both literature and interviewees agree that migration is very much needed. Since the natural growth rate is low many believe that the population of the region can only grow through migration. However it is debatable that migration will take place in reality. There are many things that stop people from migrating to a rural area and for this reason the decision to move can probably be seen as the main reason why in-migration through agriculture is not stimulating the economy of Castelo Branco at the

moment. The difficulty of obtaining land is another important aspect which makes it hard for migrants to move to Castelo Branco. There is enough land which is abandoned at the moment. However land is seen as a valuable asset and for this reason landowners are often not willing to sell or rent their land to others.

Although in-migration is happening and much needed the current flow is not enough to stimulate the economy of Castelo Branco. Up to this point it is uncertain how the in-migration pattern will look like in the future. It could be that in-migration is not only in theory a very good solution to stimulate the economy of Castelo Branco through agriculture but also in reality.

## Chapter 5. Agriculture of Castelo Branco: attractive for migrants?

In this chapter the final sub question will be discussed: could agricultural improvements or investments in Castelo Branco attract more return migration? In order to answer this question it is important to look at the importance of agriculture for the region of Castelo Branco.

### 5.1 *Agriculture of Castelo Branco*



Figure 11: fig tree (Karin Ronde, 2012)

Firstly attention will be paid to the kind of agriculture that can be found in the region of Castelo Branco. According to the literature dairy farms (38.9%), permanent crops (13.6%) and sheep and goats (17.8%) are the most important agriculture activities in the district of Beira Interior of which Castelo Branco is a part. The interviewees confirmed that extensive farming is one of the most common types of production seen in Castelo Branco. According to João Carvalhinho the extensive production systems are strongly related to forests, cork, sheep, goat and meat production. However intensive production systems can be also found in the region.

João Carvalhinho believes that it is important to make the distinction between the traditional farms and the modern farms. The traditional farms still use the old practices which they use to produce regional products and traditional high quality products. Castelo Branco, for example, has some farms who produce cheese and olive oil with the use of these traditional techniques. Other farmers have invested in modern production systems which can also be used for the production of olive oil. This system usually has lower production costs but since their production method is different from the traditional method the taste of the product is also different.

According to José Coutinho the larger farms are located in the north of Castelo Branco. The population is more concentrated here and for this reason farms are able to have larger parcels of land. In the south of Castelo Branco the villages are more spread and the parcels of land are smaller.

In the summertime it is common for temperatures to reach above 40 degrees celcius while at the same time rain does not often fall in this period of the year. The main type of agriculture in Castelo Branco is extensive farming and this is also because of the dry climate. However the region is also known for its fruit production and these trees need a lot of water in the warm summer. Because of this hot and dry climate it is important to have sufficient irrigation possibilities. According to Anselmo Cunha and José Coutinho irrigation is one of the most

important difficulties for farmers. A reason for this is that Castelo Branco does not have many irrigation options since only two rivers cross the region.

In the literature it was suggested that farmers could be involved in side-activities. This way they could try to earn an extra income besides agriculture. The interviewees confirmed that in Castelo Branco some farmers made an income from side-activities. Especially the small-scale farmers try to earn some extra income by for example renting a room to tourists.

Brull (2012) suggested that due to the crisis more young people become interested in organic farming. For this reason the interviewees were asked if organic farming was common in the area and if they believe that organic farming will become more popular in the future.

All the interviewees agreed that the region of Castelo Branco would be very suitable for organic farming. The type of farming which is most common, extensive farming, only uses very little chemicals and because of that a large part of the agriculture can already be described as almost organic. Although the region is very suitable for organic agriculture it is not a common type of production. José Coutinho believes that the bureaucracy is one of the most important reasons for this. If a farmer chooses to produce organic products he has to fill in many forms and for this reason people decide not to produce organic food.

On the other hand, João Carvalhinho believes that usually the new migrants and new farmers are the people who are engaged in organic farming. They are trying to produce specific and high quality foods which they want to sell on the market. Franz-Georg Binder explains that it is not easy for a farmer to produce organic products. Firstly you have to fill in many forms and secondly you need to sign a contract with an organic company. For that contract you need to pay money. Therefore it is economically not attractive and profitable to produce organic products. Especially when a small amount of organic products is produced. Furthermore it is difficult to sell the organic products. In a region such as Castelo Branco many people have a vegetable garden where they produce their own food and for this reason they will not buy organic food from someone else.

Over time agriculture has undergone some important changes. For example, a lot of land has been left uncultivated or became afforested by the aging of farmers. All the interviewees agreed that land became abandoned in the last couple of years due to the aging of farmers. However there is no official data about the amount of land which became abandoned in Castelo Branco.

In order to get a strong agricultural sector in Portugal and in Castelo Branco it is important to have young farmers who can take over from the older farmers when they retire. Besides that older farmers are usually less inclined to make investments in their farm. Especially when they have no successors it is not profitable for them to invest in a new production system or a new barn. For this reason the aging of the farmers is one of the most important problems for the agriculture of Castelo Branco at this moment.

The problems concerning the aging of farmers give the impression that the amount of people working in agriculture is also declining. As a result it might seem as if agriculture would become less important for the region. In chapter two it has been mentioned that in Castelo Branco many people are working in agriculture. For this reason agriculture can be seen as an

important activity. However the profits made in agriculture are low. An explanation for this could be the high level of self-sufficiency.

Interviewees explained that many farmers and migrants are producing, at least for a part, for their own consumption. Also the farmer Franz-Georg Binder explains that he has a vegetable garden where he produces different kinds of crops such as potatoes, tomatoes and onions. These crops are for own consumption and help him to reduce his expenditures. Besides the vegetable garden he also has olive and cork trees. Every year Franz-Georg Binder produces



olive oil and once in every nine years the cork trees are harvested and sold to the market. The profits obtained from these products are not large but because he is able to produce his own food his expenses are also low.

Figure 12: Olive oil and different jams produced by Franz-Georg Binder, (Karin Ronde, 2012)

*The fourth hypothesis* suggests that in a traditional Portuguese region like Castelo Branco agriculture will form the basis for the economy of the region. Looking at the literature and the answers given by the interviewees it becomes clear that agriculture is still important for the economy of the region. According to João Carvalhinho the economy of the region is traditionally based on agriculture. Next to the economic importance of agriculture it also has an important social function. Agriculture is a part of the day to day lifestyle in the area and to preserve this it is very important that young farmers and migrants come to work in agriculture. José Coutinho adds that in the city there is industry but this is of little importance for the economy, especially in the surrounding areas. He believes that in the surrounding areas around 60 to 70% of the people are dependent on agriculture. For this reason they agree that if you want to stimulate the economy of Castelo Branco the best way to do this is through agriculture.

## 5.2 *Change needed in agriculture*

In the previous part it became clear that agriculture is important for the economy of Castelo Branco and that through agriculture the economy of the region could be stimulated. However agriculture could stimulate the economy more if there were fewer problems in the agriculture sector. First of all there is the problem of irrigation, since the climate of Castelo Branco is dry, especially in the summer, it is important to have good irrigation systems. Another important problem is the difficulty for new farmers and migrants to buy or rent land. The last problem is based on one of the hypotheses and focuses on the small profits made in

agriculture. It is suggested that the majority of the farms are based on small-scale agriculture and for this reason hardly generate a sufficient income.

First the irrigation problem shall be looked at. The soil of the land in Castelo Branco is reasonable good for agriculture. The possibility of irrigation is not so good since the influence of the Atlantic Ocean makes it difficult to irrigate the land but along the rivers there are good possibilities for irrigation. In Castelo Branco there are two important rivers which flow through the region and increase the opportunities of irrigation. However according to Anselmo Cunha and José Coutinho irrigation is still an important problem for the agriculture. José Coutinho mentions that a dam has been built in the north of the region which is now serving 15.000 hectares of land. Although this dam can be seen as a solution for the irrigation problem it is not likely that more dams will be built in the near future to increase the possibility of irrigation. Since Portugal is in a crisis the government has no money to invest in agriculture.

However João Carvalhinho believes that the irrigation system in Castelo Branco is good. For this reason irrigation is not a problem for the agriculture. João Carvalhinho claims that most of the farms are extensive and able to work well with the climate of Castelo Branco.

The problem of irrigation is relatively small in comparison with the problem of access to land in Castelo Branco. As explained in chapter four the, often older, landowners do not want to sell or rent their land to someone else. If land would become more accessible for migrants it would probably attract more migrants to the region.

However it is difficult to solve this problem. It is expected that the relations with the land will change when the older landowners pass away. The older generation who experienced the revolution tend to have a different connection with the land than the younger generation. For this reason it is expected that the relations with the land will change when the older landowners pass away.

Nevertheless, it is not certain that land will be easier to buy when the older landowners pass away. It could be that there are many inheritances that all need to get a piece of the land which makes it more difficult to buy.

Another way to obtain abandoned land is through the legislation of the government. As mentioned before there were plans to introduce a law which makes it possible for the government to buy land from a farmer if it is abandoned for more than five years.

So far this plan has not been implemented since it faces much resistance from the landowners.

The last problem is very important for potential migrants who want to migrate to Castelo Branco and work in agriculture. Is it possible to get substantial profits out of small-scale agriculture in order to generate a sufficient income?

*The third hypothesis suggests* that the majority of the farms in Castelo Branco are based on small-scale agriculture and for this reason hardly generate a sufficient income.

Data from INE and the tables in the appendix show that the average farm is about 12 hectares and the annual profits made are almost 8000 euros. Before discussing if it is possible to earn enough income from small-scale agriculture it is important to realize that the cost of living are

lower in Portugal, especially in the countryside. Also the wages are lower in Portugal than in other West European countries such as the Netherlands.

The farmer Franz-Georg Binder explains that for him and other small farmers it is difficult to earn a sufficient income. He believes that the reason for this is the government and the legislation who favour the large production systems and large companies. These large companies are able to produce for very low cost and for this reason sell their products for lower cost as well. This makes it impossible for Franz-Georg Binder to compete with large enterprises. Also the rules of the European Union make it more difficult for small-scale farmers to produce for the market. Franz-Georg Binder mentioned his neighbour who had to stop selling his home-made cheese because of the hygienic rules of the European Union. Everyday his neighbour milked his 100 sheep by hand and produced cheese from the milk. However the European rules said that he had to milk his sheep with a machine if he wanted to sell his cheese on the market. A milk installation costs about 20.000 euro which is not affordable for a small-scale farmer. For this reason his neighbour had to quit selling cheese. Also Franz had some sheep which he milked to produce cheese. But also he had to stop because he could not afford a milk installation.

According to the other interviewees it is possible to earn a good income in small-scale agriculture. For example, Ervas da Zoé is based on small-scale agriculture. They are aiming to produce herbs and aromatic plants on 3 hectares of land, which is relatively small. However since they are producing high quality products for which there is a demand in the market they are able to earn an income with agriculture. Also other migrants who started to work in small-scale agriculture are producing specialized high quality products for the market.

Matritruz for example is engaged in the production of ostriches and Quinta do Aboiz is cultivating and producing various horticulture products but is also making candy.

According to João Carvalhinho and Rosa Bonacho it is common to see both types of farms in Castelo Branco; those who mainly produce for their own consumption and those who produce for the market.

To conclude it seems to be true that most of the farms are based on small-scale agriculture. However not all small-scale farmers find it difficult to earn a sufficient income. If a farmer is able to produce a high quality product for which there is a demand on the market he will be able to earn a good income. It is however not always easy for a small-scaled farmer to produce such a product and for this reason some of these farmers will have a better income than others.

It is difficult to change all the problems in the agriculture. The government is aware of the problems but since Portugal is in a crisis the government has no money to invest in agriculture. However, at the moment, there is a government project in Idanha-a-Novo, a city close to Castelo Branco. Within the frame of this project the government is renting land to young people who would like to become a farmer. 20 young farmers have been able so far to rent a parcel of land. The plan is to produce many different kinds of fruit such as blueberry and cherries (Gabriel, 2012).

The municipality of Castelo Branco is pleased with projects like these. They believe that agriculture is their economic basis. In order for them not to lose their roots it is important to maintain the use of land and the agriculture production (João Carvalhinho).

### 5.3 *Can agriculture attract more return migrants?*

It is difficult to give a straightforward answer to the question if agriculture can attract more return migrants. The reason for this is that many aspects are connected to agriculture and the attraction of return migrants. Nevertheless this part will try to explain if the agriculture of Castelo Branco is able to attract more return migrants.

As seen in 5.2 the agriculture of Castelo Branco is not in the best condition to attract migrants. The most important aspect which needs to be changed if agriculture wants to attract more migrants is the availability of land. If potential migrants are not able to buy or rent land in the region they will go to another region where land is available. The problem of land is unfortunately also one of the most difficult problems to solve. For the government or municipality it takes time to be in a position which makes it possible to obtain land from a landowner. Also legislation might need to change in order to be able to acquire the land. To conclude it is not likely that this problem will be solved in the near future and for this reason it is more difficult for the agriculture of Castelo Branco to attract return migrants. For return migrants who have family with land in the region this problem might not exist because they are able to work on the land of their family.

The decrease in interest for agriculture is another reason why it is difficult for the agriculture of Castelo Branco to attract more return migrants. According to José Coutinho especially young people are becoming less interested in farming. He mentions that nowadays less students are studying at the School of Agriculture in Castelo Branco. José Coutinho also believes that in the near future the interest for agriculture will not increase. However it is important that more people become interested in farming otherwise the agriculture of Castelo Branco will not be able to attract more return migrants.

Not everyone agrees that the interest in agriculture is declining. Looking at the literature and conversations with people in Lisbon it seems that people are becoming more interested in farming. Also João Carvalhinho believes that during the crisis more people became interested in agriculture. An explanation for this difference in opinion is that the people who are now becoming interested in farming have often not worked in agriculture before and have no knowledge of it.

A conclusion could be that there are less people with knowledge and skills in agriculture. For this reason it is important that the municipality of Castelo Branco offers training to the migrants who want to work in agriculture so they can gather the necessary skills in order to work in agriculture. At the moment the municipality of Castelo Branco is offering these classes to migrants and people interested in agriculture. Besides offering classes to migrants the municipality also provides other support services to the farmers. An example of this is the municipal olive press. Because it is expensive for farmers to have their own olive press, they can bring their olives to the municipal olive press for the making of olive oil. Especially for the small-farmers this is a good solution. Services like this is making the agriculture of Castelo Branco more attractive for return migrants.

To conclude the agriculture of Castelo Branco has some positive and less positive aspects which could attract more return migrants. The support services offered by the municipality of Castelo Branco are attractive for new migrants. At the same time it is important that Castelo Branco tries to find a solution for the land problem. It is most likely that this problem prevents migrants from coming to the region.

It also became clear that with some improvements or investments the less positive aspects could be improved. It is however not clear if agricultural improvements or investments in Castelo Branco will be able to attract more return migrants. First of all it is not very likely that in the current economic crisis it is possible for the government to invest in agriculture. From the interviews it became clear that at the moment it is difficult to make changes in agriculture because the government has no money for investments. This makes it more complicated to address the problems in the agriculture. But this is not the main reason why agricultural improvements or investments will probably not be able to attract more return migrants. The reason for migration and the choice of the destination area are complicated decisions which include many different aspects. For this reason it is not likely that agriculture alone is able to attract more return migrants to the region. After analyzing the literature and the interviews it became clear that return migrants often move to a region that they know. It could be that they have family or friends living there or because they know the region from a previous holiday. So if a region is known by many people it is likely that it will attract more return migrants than a region which is less known.

There are many different reasons why people decide to move to a certain region. Migrants need to be interested in agriculture if agriculture alone has to stimulate people to come to the region. If the soils of a region are in a good condition but there are no migrants interested in agriculture it will not be able to attract more return migrants. Furthermore it became clear in chapter four that personal motives are just as important as economic motives for a migrant's decision to move. An attractive agriculture can be seen as an economic motive for migration but a migrant will most likely not move to Castelo Branco because of economic reasons only. If the migrant does not want to live in the Interior or if he fears that there are no good schools for the children, he or she shall not move to Castelo Branco. It is difficult to determine if the agriculture of Castelo Branco is able to attract more return migrants. For this reason it is also not certain if agricultural improvements or investments in Castelo Branco will be able to attract more return-migrants.

## Chapter 6. Conclusion

The goal of this thesis was to discover if (return-) migration to Castelo Branco can stimulate agricultural activity and generate economic growth in the region. The region of Castelo Branco has a low natural growth rate and besides this the region is suffering from out-migration. The decline of the population has a negative impact on the agricultural activities in the region and the economic growth. Return migration could, by means of revitalization of agricultural activity in the region, be the basis of a new cycle of economic growth.

The main question of this research was: *Can (Return-) migration to Castelo Branco lead to an investment in small-scale agriculture and eventually generate economic growth in Castelo Branco?* The sub questions of this research were:

- *Which factors are, according to the literature, associated with migration to rural areas?*
- *What are the most important characteristics of agriculture in the region Castelo Branco?*
- *What is the contribution of agriculture for the economy of Castelo Branco?*
- *In what ways can migration to Castelo Branco impact the agriculture and the economy of the region?*
- *Could agricultural improvements/investments in Castelo Branco attract more (return) migration?*

Furthermore five hypotheses have been created and discussed in this paper. These hypotheses were based on the literature of chapter 2 and 3 and tested in the previous chapters. In this conclusion also the hypotheses will be discussed briefly. The five hypotheses were:

- *The current economic crisis creates an extra stimulus for migrants to move to rural areas such as Castelo Branco.*
- *Return migrants will act as an investor in Castelo Branco.*
- *The majority of the farms in Castelo Branco are based on small-scale agriculture and for this reason hardly generate a sufficient income.*
- *In a traditional Portuguese region like Castelo Branco agriculture will form the basis for the economy of the region.*
- *Because of the age structure of the farmers in Castelo Branco, there are plenty of options for young migrant farmers to start or take over a farm in the near future.*

Chapter two discussed the factors which, according to the literature, are associated with migration to rural areas. It showed that out-migration of young people from the rural areas to the urban areas placed a great burden on the rural region. Young farmers for example were not able to find successors for their farm when they retired and for this reason land became abandoned. According to Murphy, 1999 (as cited by Zhao, 2002) it is estimated that about one-third of all migrants return to their native homes.

In accordance to the literature return migration refers to the return of a migrant to the last place of residence or birthplace. Stockdale (2006) explains that out-migration is not a real

problem as long as the migrants will return to the region. Return migrants are likely to bring back accumulated human, social and financial capital gathered through working experience outside their original home region. All this accumulated knowledge can be beneficial for the region since this knowledge can be used to stimulate the economic growth of the region. However there is not a clear explanation for why people decide to migrate to a rural region. A combination between personal and economic motives is probably the main reason for migration but since migration is a personal decision it is not clear what the main reason for migration is.

The second sub question discusses the most important characteristics of agriculture in Castelo Branco. The answer to this question is based on literature and statistical data. Most of the farms in Castelo Branco are small-scaled. The data from INE showed that an average farm in Castelo Branco has 11.9 hectares of utilized agriculture area. The annual income made out of agriculture is around 8.000 euros. The tables also showed that a substantial amount of people are working in agriculture, which means that the agriculture of Castelo Branco is important for many people. Extensive farming is the most common used type of agriculture in the region.

The third sub question tries to discover what the contribution of agriculture for the economy of Castelo Branco is. The literature showed that although not much money is earned in agriculture still many people work in this sector. The statistical data of INE can be used to explain the contribution of agriculture in the region. There is for example data about how much cheese is produced in the region. However in Castelo Branco the contribution of agriculture is not only economic. José Coutinho and João Carvalhinho explained that agriculture is of great social importance as well. João Carvalhinho describes the role of agriculture as, *'It is our economic base so we must maintain the use of land and the agriculture production because if we don't we lose our roots.'*

The fourth sub question wonders in which ways migration to Castelo Branco could have an impact on the agriculture and economy of the region. The literature and the interviews explain the importance of in-migration for Castelo Branco. Data showed that the crude death rate in the region is higher than the crude birth rate. This means that only through in-migration the region is able to obtain population growth. Also the interviewees explained that it is important for the region to attract more migrants.

The population decline had a large influence on the agriculture and the economy of Castelo Branco, it has altered the agriculture and reduced the productivity of agriculture. Since agriculture is the basis of the economy also the economy was affected by population decline. For this reason the interviewees believed that in-migration is the only solution to change this. However it is debatable if more migrants will come to the region. At the moment there are many factors which stop people from migrating to a rural region like Castelo Branco and it is not likely that this will change in the near future.

The last sub question wants to discover if agricultural improvements or investments in Castelo Branco are able to attract more (return) migrants. The previous sub questions showed that

agriculture is important for the region of Castelo Branco but it is not likely that agriculture will be able to attract more migrants to the region. The first reason for this is that at the moment agriculture has some important problems. For example the difficulty of obtaining land, these problems need to be solved in order to make the agriculture more attractive. Secondly, if agricultural improvements or investments would be possible it would still not be certain that it would attract more migrants. An explanation for this is that migration and the choice of the destination area are complicated decisions which include many different aspects. For this reason it is not likely that agriculture alone would be able to attract more migrants to Castelo Branco.

Besides the five sub-questions also five hypotheses were developed. These hypotheses are based on the literature and data of chapter 2 and 3 and can be seen as a reinforcement of the sub questions. All the hypotheses were discussed in detail in chapter 4 and 5 and for this reason will only be discussed here briefly.

The first hypothesis suggested that the current economic crisis creates an extra stimulus for migrants to move to rural areas such as Castelo Branco. There is no straightforward answer to this hypothesis. According to the literature the crisis will stimulate more people to come to the rural areas. Also the interviewees believe that the crisis could stimulate more people to come to Castelo Branco. It is however difficult to see if this is actually happening. At the moment Portugal is still in a crisis and there is not yet official data about the effect of the crisis on migration.

The second hypothesis claims that return migrants will act as an investor in Castelo Branco. This means that a migrant will invest in their farm and in the economy of the region. This is preferable because a migrant who is investing in his or her farm is also more likely to stay in the region. According to Rosa Bonacho migrants will act as an investor. She describes that all of the farmers are trying to be competitive on the market and they are investing in their farm to become competitive. The other interviewees add that the decision to move is a life decision and for this reason return migrants can be seen as an investor in Castelo Branco.

The third hypothesis states that the majority of the farms in Castelo Branco are small-scaled. For this reason they hardly generate a sufficient income. For this hypothesis no straightforward answer exists. It became clear that it is difficult for a small-scale farmer to produce for the market at the moment. The market is highly competitive and for small farmers it is difficult to produce for the market price. Franz-Georg Binder believes for this reason that if people want to become a small-scale farmer in Portugal they need to be prepared to live a poor life. However not all small-scale farmers are poor and some of them are able to compete on the market and for this reason there is not a simple answer for this hypothesis.

The fourth hypothesis suggests that in a traditional Portuguese region like Castelo Branco agriculture will form the basis for the economy of the region. This hypothesis turned out to be true. Traditionally the economy of Castelo Branco has always been based on agriculture and because there is not much industry in the region agriculture is still important for the economy.

José Coutinho believes that in order to stimulate the economy of the region the best way to do this is through agriculture.

The fifth and final hypothesis claims that the age structure of the farmers in Castelo Branco creates plenty of options for young migrants to start or take over a farm in the near future. In theory this hypothesis is true. Since the farmers are aging there should be enough options for young farmers to take over or buy a farm. The interviewees also explained that Castelo Branco has a lot of land for agriculture. However for migrants it is difficult to buy or rent land because many older farmers are reluctant to sell their land, even when it is abandoned. An explanation for this is the strong relation between the land and the people. Especially the older generation is very attached to their land and for them it is unthinkable to sell their land. In the future this relation between the people and the land might change which could make it easier for migrants to buy land. At the moment however this hypothesis is true in principle but not occurring in reality because of these practical problems.

Finally the main question of this thesis will be discussed. Can (Return-) migration to Castelo Branco lead to an investment in small-scale agriculture and eventually generate economic growth in Castelo Branco? This question contains three important aspects: in-migration, investment in agriculture and economic growth. For economic growth to happen it is important that migrants are coming to the region and that they are willing to invest in agriculture.

At first sight migration seems to be a perfect solution for the region Castelo Branco to stimulate agricultural activity and generate economic growth in the region. While the large cities of Portugal, such as Lisbon, are becoming more crowded the interior has major problems with the aging of the population and population decline. During this research it became clear that in-migration is needed in the region of Castelo Branco. The population and farmers are aging and there are not enough young people in the region to replace them and therefore migration is needed. Migration can be considered as the key variable, without in-migration the agriculture of the region is not able to stimulate the economy.

At the same time migration is one of the most uncertain variables of this research. There is not much current data about migration which makes it difficult to describe the migration pattern of Castelo Branco. The interviewees believe that, at this moment, not many migrants are coming to the region but it is uncertain if this will change in the future.

The likelihood of migration from the urban to the interior regions is questionable in Portugal. People prefer to live along the coast and near larger cities such as Lisbon. Furthermore is migration still a big step for the majority of the people. Many people in Lisbon are talking about migrating but in the end many people are scared and not willing to take the step. A colleague of Anselmo Cunha had a clear explanation for this, *'We Portuguese, we talk too much and there is a big difference between what we talk and what we do.'*

The people who have migrated to Castelo Branco to work in small-scale agriculture have been investing in their farms. It became clear that the people who decided to migrate, also during the crisis, are planning to stay in Castelo Branco. The way in which migrants stimulate the economy through agriculture depends from farm to farm. Some farmers produce mainly for

their own consumption and therefore they do not really stimulate the economy. Other farms such as Ervas da Zoé produce for the market and for this reason they are more contributing to the economy. Overall all the interviewees agree that in-migrants working in agriculture are able to stimulate the economy of Castelo Branco. This means that (return) migration to Castelo Branco can lead to an investment in small-scale agriculture and eventually generate economic growth.

In theory the main question could happen but it is not yet certain if in reality it will happen as well. Anselmo Cunha describes the main question as a dream which suggests that is not likely to occur. The main reason for this is the unlikelihood of in-migration. The region has been suffering out-migration for many years and the amount of migrants who are coming to the region now is not enough to 'fix' the problems caused by out-migration. It also became clear from the interviews and data that people more often migrate to places that are relative close to the city of Castelo Branco. At approximately 40 kilometer distance it is possible to reach the city within the hour. Especially people with children find it important to have access to facilities offered in the city. The municipality of Castelo Branco believes that there is a slight increase in the amount of migrants coming to the region. However this is still a small amount which will not be able to stimulate the economy much. The municipality expects that more migrants will come in the future and that change will happen, but it will be a slow process which takes time. For the more rural villages in the district of Castelo Branco it is not likely that something will change in the future. There are hardly any migrants moving to the more remote places and for this reason it is expected that the population decline will continue here.

### *Evaluation*

The timing of this research could not have better. The interior regions have serious problems due to population decline and Portugal seems to become aware of these problems. Many people have left these regions and the population is aging which has significant consequences for the agriculture and economy. It is however difficult to solve this problem. Next to this problem Portugal is also in a severe economic crisis which causes high unemployment rates and has people searching for new opportunities to gather an income. This search for other sources of income, for example agriculture, is making the interior regions such as Castelo Branco more interesting. People in the cities are talking about moving to the rural regions. For Castelo Branco as a region in decline, the crisis might turn out as a positive turning point which can help them to reduce population decline and stimulate economic growth.

Furthermore Castelo Branco is not the only region which has problems with population decline. The whole of the interior is facing the same problems and for this reason this research could be a good reflection for the other regions as well. The problems connected to population decline such as a shrinking agriculture are at this moment very important problems in Portugal and for this reason this research comes at a perfect time.

The most difficult aspect of this research was getting in contact with possible interviewees and obtaining interviews. There are not many agricultural institutions in Castelo Branco and some of them are difficult to reach. It would have been nice to have more information from farmers, however from all the farmers and farmer organisations who were contacted only

Franz-Georg Binder responded was willing to talk to me. The fact that I do not have a command of the Portuguese language without doubt played in role in this.

### *Further research*

This was a very interesting research to work on, especially since the research problem is currently happening in Portugal. For this reason alone it is already important and interesting to explore this research further.

There are a lot of problems in the interior regions of Portugal because of population decline. Since in-migration can help to solve many of these problems it is important for further research to look at rural migration more closely. Because there are so many aspects linked to migration it was not possible for this paper to look in more detail at migration. For Portugal however it is important to look more closely at questions such as: Why are there not more migrants moving to the rural areas of Portugal? During the interviews it became clear that not many were able to answer this question.

Also the difficulty for migrants to obtain land is a very interesting and important research topic. Almost all the interviewees described this problem but almost no one had an answer for this problem. Portugal finds it important to import as few products as possible. However at the moment a lot of land is not being used. Portugal could improve their production and reduce their import by using this abandoned land. For this paper the land issue is too complex to discuss but it would be an interesting topic to research in another paper.

Finally, it would be interesting to research the main question of this paper again when Portugal is out of the financial crisis. It would be interesting to see if the crisis actually has stimulated migrants to move to a rural area such as Castelo Branco to work in agriculture. Did more people actually become interested in agriculture? Has the rural lifestyle been adopted in Portugal and did people embrace this way of living?

To conclude, there are many different aspects involved in this thesis that are interesting to study. However many of these aspects are too complicated to discuss fully in this paper. Therefore this paper could be seen as an introduction to further and more detailed research about migration and agriculture in rural regions such as Castel Branco.

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## Appendix A

### *Figures population decline Europe*

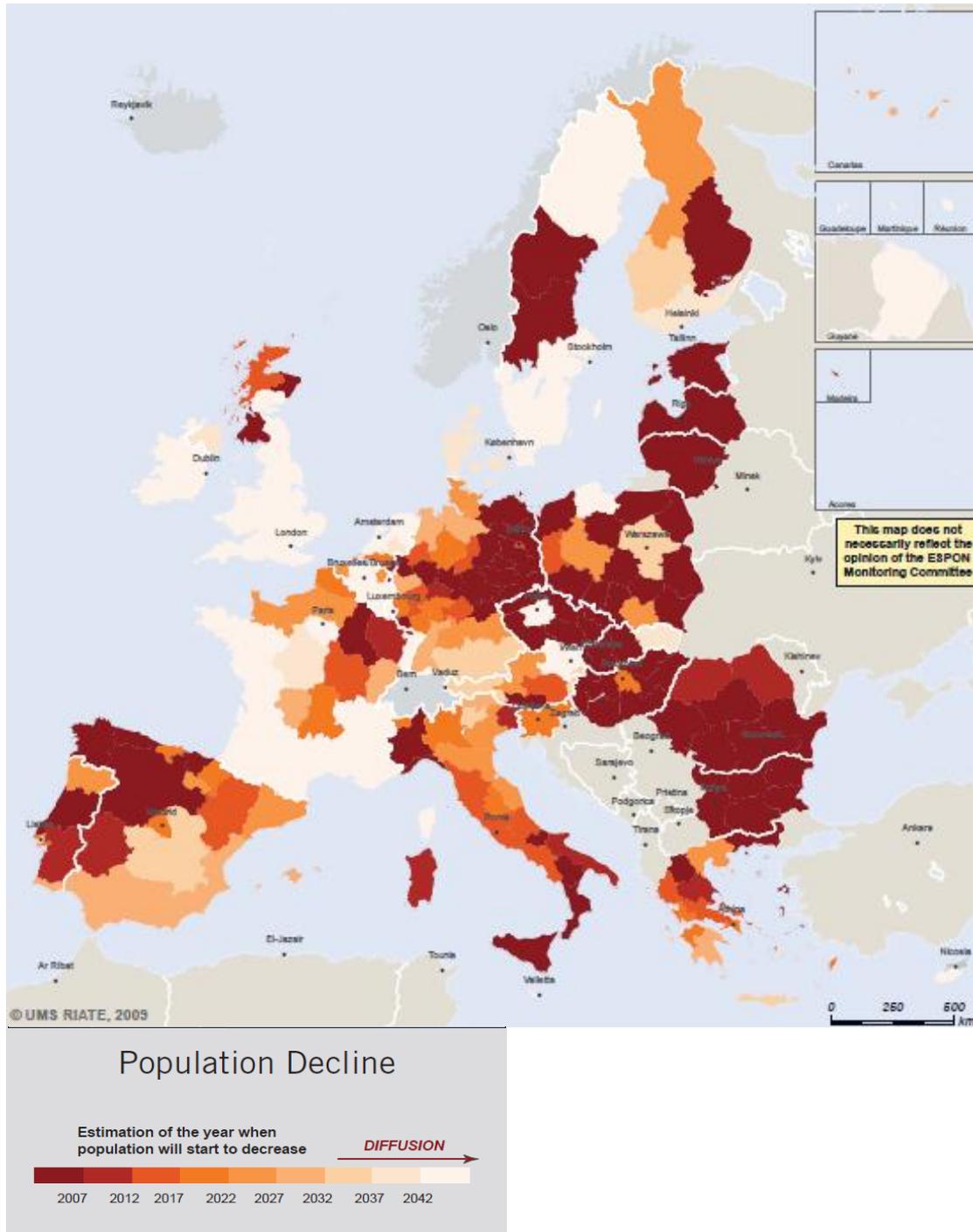


Figure I: Population decline Europe,

[http://www.espon.eu/export/sites/default/Images/Publications/Posters/10\\_Population\\_Decline\\_and\\_Ageing.jpg](http://www.espon.eu/export/sites/default/Images/Publications/Posters/10_Population_Decline_and_Ageing.jpg)

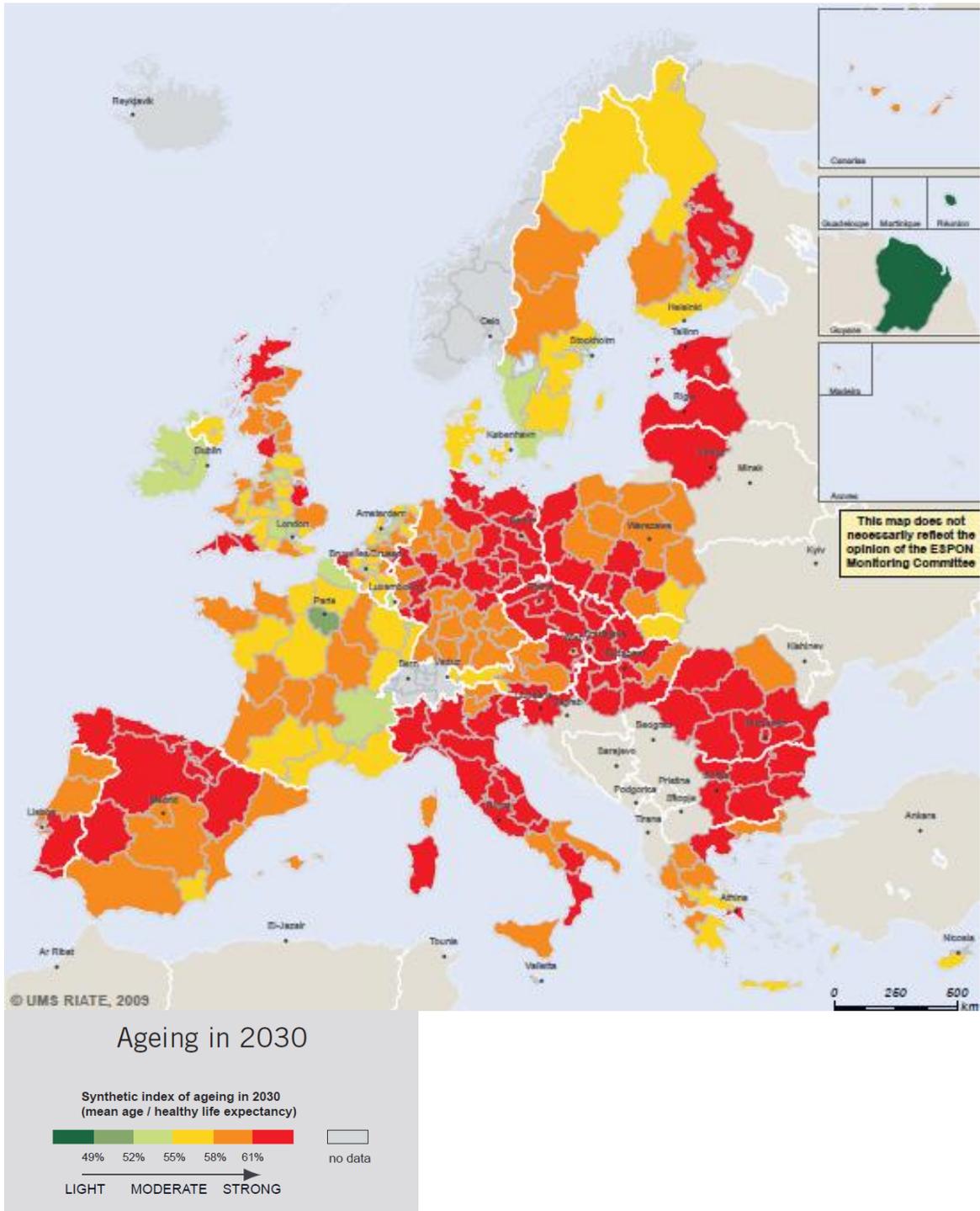
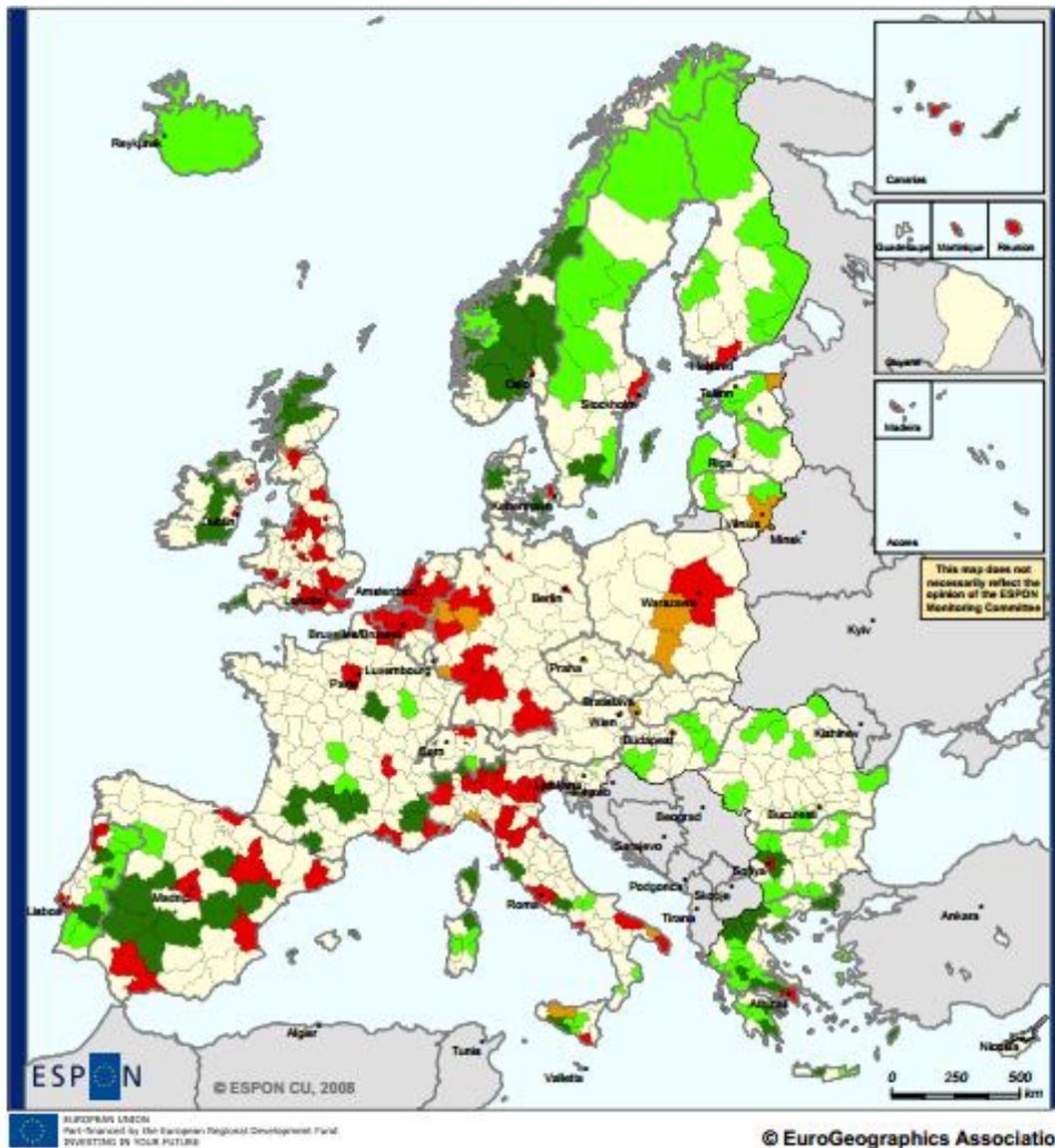


Figure II: Population of Europe ageing in 2030  
[http://www.espon.eu/export/sites/default/Images/Publications/Posters/10\\_Population\\_Decline\\_and\\_Ageing.jpg](http://www.espon.eu/export/sites/default/Images/Publications/Posters/10_Population_Decline_and_Ageing.jpg)



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Regional level: AT, BE, CH, CY, DE, IS, MT, NL, PL: NUTS 2  
 Other countries: NUTS3 (2006)  
 Origin of data: Eurostat (estimations)  
 Source: ESPON 2013 database

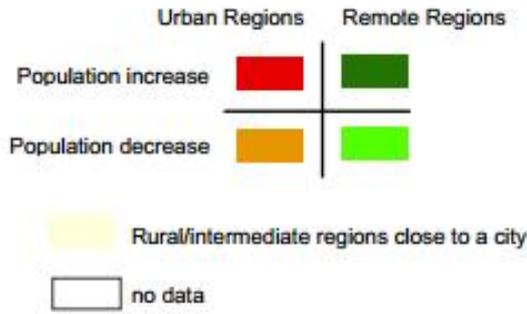


Figure III: Population development in urban and remote regions 2001-2005  
[http://www.espon.eu/export/sites/default/Documents/Publications/TerritorialObservations/TrendsInPopulationDevelopment/map\\_6\\_pop\\_dev\\_in\\_urban\\_and\\_remote\\_regions\\_final.pdf](http://www.espon.eu/export/sites/default/Documents/Publications/TerritorialObservations/TrendsInPopulationDevelopment/map_6_pop_dev_in_urban_and_remote_regions_final.pdf)

*Tables about youth unemployment rates in Europe.*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Nov 2011*
Austria	5.8	6.7	8.1	9.7	10.3	9.1	8.7	8.0	10.0	8.8	8.3
Belgium	16.8	17.7	21.8	21.2	21.5	20.5	18.8	18.0	21.9	22.4	21.1
Bulgaria	38.8	37.0	28.2	25.8	22.3	19.5	15.1	12.7	16.2	23.2	25.6
Cyprus	8.2	8.0	8.8	10.2	13.9	10.0	10.2	9.0	13.8	16.7	.
Czech Republic	17.3	16.9	18.6	21.0	19.2	17.5	10.7	9.9	16.6	18.3	19.0
Denmark	8.3	7.4	9.2	8.2	8.6	7.7	7.9	7.6	11.2	13.8	14.9
Estonia	23.2	17.6	20.6	21.7	15.9	12.0	10.0	12.0	27.5	32.9	.
Finland	19.8	21.0	21.8	20.7	20.1	18.7	16.5	16.5	21.5	21.4	19.6
France	18.9	19.3	19.2	20.8	21.3	22.4	19.8	19.3	23.9	23.7	23.8
Germany	8.4	9.9	11.6	13.8	15.6	13.8	11.9	10.6	11.2	9.9	8.1
Greece	28.0	26.8	26.8	26.9	25.9	25.1	22.9	22.0	25.7	32.8	.
Hungary	11.3	12.7	13.4	15.5	19.4	19.1	18.0	19.9	26.5	26.6	25.9
Ireland	7.2	8.4	8.7	8.7	8.6	8.6	8.9	13.3	24.4	27.8	29.3
Italy	24.1	23.1	23.7	23.5	24.0	21.6	20.3	21.3	25.4	27.8	30.1
Latvia	22.9	22.0	18.0	18.1	13.6	12.2	10.7	13.1	33.6	34.5	.
Lithuania	30.9	22.4	25.1	22.7	15.7	9.8	8.2	13.4	29.2	35.1	.
Luxembourg	6.2	7.0	11.2	16.4	14.3	15.8	15.6	17.3	16.5	15.8	14.7
Malta	18.8	17.1	17.4	16.6	16.8	15.9	13.9	12.2	14.4	13.0	14.3
Netherlands	5.0	5.4	7.3	9.0	9.4	7.5	7.0	6.3	7.7	8.7	8.6
Poland	39.5	42.5	41.9	39.6	36.9	29.8	21.7	17.3	20.6	23.7	27.8
Portugal	11.5	14.3	17.8	18.9	19.8	20.1	20.4	20.2	24.8	27.7	30.7
Romania	17.6	21.0	19.5	21.0	19.7	21.0	20.1	18.6	20.8	22.1	.
Slovakia	39.2	37.7	33.4	33.1	30.1	26.6	20.3	19.0	27.3	33.6	35.1
Slovenia	17.8	16.5	17.3	16.1	15.9	13.9	10.1	10.4	13.6	14.7	.
Spain	23.2	24.2	24.6	23.9	19.7	17.9	18.2	24.6	37.8	41.6	49.6
Sweden	15.0	16.4	17.4	20.4	22.6	21.5	19.2	20.2	25.0	25.2	23.2
United Kingdom	11.7	12.0	12.2	12.1	12.8	14.0	14.3	15.0	19.1	19.6	.
<b>European Union (27 countries)</b>	<b>17.7</b>	<b>18.3</b>	<b>18.8</b>	<b>19.2</b>	<b>18.8</b>	<b>17.5</b>	<b>15.7</b>	<b>15.8</b>	<b>20.1</b>	<b>21.1</b>	<b>22.3</b>
<i>Men</i>	17.0	18.0	18.6	18.8	18.7	17.2	15.4	15.8	21.2	21.8	22.8
<i>Women</i>	18.6	18.8	19.0	19.6	19.0	18.0	16.1	15.8	18.9	20.2	21.7
Canada	12.9	13.7	13.7	13.4	12.4	11.7	11.2	11.6	15.2	14.8	14.1
United States	10.6	12.0	12.4	11.8	11.3	10.5	10.5	12.8	17.6	18.4	16.8
<b>OECD Average</b>	<b>12.4</b>	<b>13.4</b>	<b>13.8</b>	<b>13.7</b>	<b>13.4</b>	<b>12.6</b>	<b>12.0</b>	<b>12.7</b>	<b>16.7</b>	<b>16.7</b>	.
<i>Men</i>	12.5	13.7	14.1	13.8	13.8	12.6	12.2	13.1	17.9	17.6	.
<i>Women</i>	12.3	13.0	13.4	13.7	13.0	12.5	11.7	12.2	15.2	15.7	.

\*Note that data for November 2011 are not directly comparable with the annual averages, which cannot be compared with a single point in time.

Table I: Annual and Monthly Youth Unemployment Rates in EU and Selected OECD Countries, under age 25 (Eurostat, OECD Statistics)

	Youth (ages 15 to 24)		Adults (ages 15 to 64)		Ratio of Youth Unemployment Rate to Total Unemployment Rate
	Men	Women	Men	Women	
Austria	8.9	8.8	4.6	4.3	2.0
Belgium	22.4	22.4	8.2	8.6	2.7
Bulgaria	24.1	21.7	11.0	9.5	2.3
Cyprus	16.0	17.2	6.2	6.5	2.6
Czech Republic	18.2	18.5	6.5	8.5	2.5
Denmark	15.8	11.7	8.4	6.6	1.8
Estonia	35.2	30.0	19.9	14.7	1.9
Finland	23.8	19.0	9.3	7.7	2.5
France	22.2	23.7	9.1	9.7	2.4
Germany	10.9	8.8	7.6	6.6	1.4
Greece	26.7	40.6	10.1	16.4	2.6
Hungary	27.9	24.9	11.6	10.8	2.4
Ireland	33.7	21.1	17.1	9.6	2.0
Italy	26.8	29.4	7.7	9.7	3.3
Latvia	35.4	33.5	21.9	16.0	1.8
Lithuania	38.5	30.8	21.5	14.6	2.0
Luxembourg	17.6	.	3.8	5.1	3.2
Malta	13.7	12.2	6.9	7.2	1.9
Netherlands	8.8	8.6	4.5	4.5	1.9
Poland	22.4	25.4	9.4	10.1	2.4
Portugal	21.2	23.7	10.4	12.5	2.0
Romania	22.3	21.8	8.2	6.9	2.9
Slovakia	34.6	31.9	14.3	14.6	2.3
Slovenia	15.2	13.8	7.6	7.2	2.0
Spain	43.2	39.8	19.8	20.6	2.1
Sweden	26.6	23.7	8.7	8.4	2.9
United Kingdom	21.5	17.3	8.8	7.0	2.5
<b>European Union (27 countries)</b>	<b>21.6</b>	<b>20.0</b>	<b>9.7</b>	<b>9.7</b>	<b>2.2</b>
Canada	17.1	12.4	8.7	7.2	1.8
United States	20.8	15.8	10.5	8.6	1.9
<b>OECD Average</b>	<b>17.6</b>	<b>15.7</b>	<b>8.5</b>	<b>8.1</b>	<b>2.0</b>

Table II: Annual Unemployment Rates in EU and Selected OECD Countries, 2010.

Source: Eurostat, OECD Statistics

*Tables about statistical indicators population of Castelo Branco*

	<b>0-14</b>	<b>15-64</b>	<b>65 e +</b>
Castelo Branco	7108	35583	13418
Idanha-a-Nova	847	4686	4183
Penamacor	415	2777	2488
Vila Velha de Ródão	263	1720	1538
<b>Beira Interior Sul</b>	<b>8633</b>	<b>44766</b>	<b>21627</b>

Table III: Resident Population By Municipality according to age groups on 31/12/2010 (INE, I.P., Portugal, 2011. Censos 2011 - Interim results)

	<b>Births</b>	<b>Deaths</b>
Castelo Branco	447	691
Idanha-a-Nova	49	278
Penamacor	21	141
Vila Velha de Ródão	17	97
<b>Beira Interior Sul</b>	<b>534</b>	<b>1207</b>

Table IV: Population changes by Municipality, 2010 (INE, I.P., Portugal, 2011.)

	<b>Total</b>
Castelo Branco	1251
Idanha-a-Nova	255
Penamacor	54
Vila Velha de Ródão	50
<b>Beira Interior Sul</b>	<b>1610</b>

Table V: Foreign population with legal status of residence, 2010 (INE, I.P., Portugal, 2011)

Data reference period	Place of residence	Crude birth rate (‰) by Place of residence; Annual	Crude death rate (‰) by Place of residence; Annual
		‰	‰
2010	Portugal	9,5	10,0
	Beira Interior Sul	7,4	16,8
	Castelo Branco	8,4	12,9
2009	Portugal	9,4	9,8
	Beira Interior Sul	7,7	15,9
	Castelo Branco	8,6	12,9
2008	Portugal	9,8	9,8
	Beira Interior Sul	7,3	16,6
	Castelo Branco	8,3	13,2
2007	Portugal	9,7	9,8
	Beira Interior Sul	7,4	16,9
	Castelo Branco	8,7	13,8
2006	Portugal	10,0	9,6
	Beira Interior Sul	7,4	15,8
	Castelo Branco	8,4	13,0
2005	Portugal	10,4	10,2
	Beira Interior Sul	7,8	17,7
	Castelo Branco	8,8	14,3
2004	Portugal	10,4	9,7
	Beira Interior Sul	8,3	15,2
	Castelo Branco	9,7	13,1
2003	Portugal	10,8	10,4
	Beira Interior Sul	7,3	16,8
	Castelo Branco	8,5	13,7
2002	Portugal	11,0	10,2
	Beira Interior Sul	7,7	16,2
	Castelo Branco	8,8	13,0
2001	Portugal	11,0	10,2
	Beira Interior Sul	8,2	16,0
	Castelo Branco	9,7	13,0
2000	Portugal	11,7	10,3
	Beira Interior Sul	7,8	16,3
	Castelo Branco	8,9	14,0
1995	Portugal	10,7	10,3
	Beira Interior Sul	6,9	15,0
	Castelo Branco	8,3	12,7
Crude birth rate (‰) by Place of residence; Annual			
Crude death rate (‰) by Place of residence; Annual			

Table VI: Crude birth and death rate for municipality of Castelo Branco, (INE, 2011)

*Tables about statistical indicators economy of Castelo Branco*

	Densidade de empresas N.º/km <sup>2</sup>	Proporção Empresas Individuais %	Proporção Empresas c/ menos 10 pessoas aos serviço %	Pessoal ao serviço por empresa N.º
Portugal	11,5	67,05	95,6	3,5
Centro	8,1	69,33	95,9	3,0
<b>Beira Interior Sul</b>	1,7	72,05	97,2	2,4
Castelo Branco	3,6	72,03	97,2	2,4
Idanha-a-Nova	0,4	77,50	98,7	2,0
Penamacor	0,6	79,27	96,9	2,2
Vila Velha Ródão	0,6	65,71	95,2	3,2

Table VII: Indicators of Enterprises by Municipality, 2011 (INE, I.P., Portugal, 2011)

	BIS	Castelo Branco	Idanha-a-Nova	Penamacor	Vila Velha de Ródão
A - Agricultura, produção animal, caça, floresta e pesca	12	10	1	0	1
B - Industrias Extractivas	7	6	0	0	1
C - Industrias Transformadoras	431	317	42	34	38
D - Electricidade, gás, vapor, água quente e fria e ar frio	4	0	1	1	2
E - Captação, tratamento e distribuição de água, saneamento, gestão de resíduos e despoluição	9	8	0	1	0
F – Construção	780	618	85	58	19
G - Comércio por grosso e a retalho, reparação de veículos automóveis e motociclos	1644	1298	171	114	61
H - Transportes e armazenagem	139	91	22	14	12
I - Alojamento, restauração e similares	676	476	122	49	29
J - Actividades de informação e comunicação	47	41	5	1	0
L - Actividades imobiliárias	95	86	6	1	2
M - Actividades de consultoria, científicas, técnicas	627	569	36	14	8

e similares					
N - Actividades administrativas e dos serviços de apoio	166	141	10	10	5
P - Educação	532	485	27	12	8
Q - Actividades de saúde humana e apoio social	425	387	18	15	5
R - Actividades artísticas, de espectáculos, desportivas e recreativas	121	107	12	2	0
S - Outras actividades de serviços	673	572	51	31	19
<b>TOTAL</b>	<b>6388</b>	<b>5212</b>	<b>609</b>	<b>357</b>	<b>210</b>

Note: The scope of the economic activity of Integrated Business Accounts System excludes CAE-Rev.3 divisions 01 and 02 of section A as well as sections K, O, T and U

Table VIII: Enterprises by head office municipality and according to CAE-Rev.3, 2009 (INE, I.P., Portugal, 2011)

	<b>Indicador per Capita</b>	<b>Percentagem de Poder de Compra</b>	<b>Factor Dinamismo Relativo</b>
Castelo Branco	99,99	0,5185	-0,5883
Idanha-a-Nova	55,68	0,0565	0,5588
Penamacor	51,23	0,0293	-0,0772
Vila Velha de Ródão	59,01	0,0207	-0,0601
Beira Interior Sul	87,75	0,6250	-0,3579
Centro	83,89	18,9092	-0,3103
País	100	100	-0,3983

Table IX: Indicators associated with purchasing power *per capita*, 2005 (INE, Estudo sobre o Poder de Compra Concelhio, 2007)

*Tables about statistical indicators agriculture of Castelo Branco*

	BIS	Castelo Branco	Idanha-a-Nova	Penamacor	Vila Velha de Ródão
Superfície agrícola utilizada (SAU) por exploração (ha)	19,4	11,9	47,6	10,7	6,6
SAU por unidade trabalho ano (UTA) (ha)	23,5	14,3	54,1	12,6	10,0
Blocos por exploração (N.º)	4,78	5,29	3,13	4,60	6,16
Unidade trabalho ano por exploração (UTA)	0,8	0,8	0,9	0,9	0,7
Valor da produção padrão total por exploração (€)	11 163,7	7 739,6	24 103,6	7 489,9	4 802,9
Valor da produção padrão total por hectare de superfície agrícola utilizada (€)	575,7	652,0	506,1	699,3	729,2
Valor da produção padrão total por unidade trabalho ano (€)	13 525,9	9 313,9	27 356,7	8 784,2	7 310,0
Explorações com rendimento do produtor agrícola singular exclusivamente da exploração (%)	3,0	2,3	5,5	3,4	0,7
Superfície agrícola utilizada em conta própria (%)	69	67	68	72	83

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Table X : Indicators of agriculture and forestry by municipality, 2009 ( Statistics Portugal, Agricultural Census.)

	Natureza Jurídica				Forma de exploração da superfície agrícola utilizada			
	Produtor Singular		Sociedade		Conta própria		Arrendamento	
	N.º	ha	N.º	ha	N.º	ha	N.º	Ha
Castelo Branco	3 502	55 429	49	13 867	3 473	28 131	159	11 743
Idanha-a-Nova	1 605	69 825	71	35 344	1 569	54 775	208	21 870
Penamacor	1 119	17 189	7	3 012	1 105	8 647	64	3 083
Vila V. de Ródão	852	12 370	5	687	849	4 671	12	839
Beira Interior Sul	7 078	154 812	132	52 910	6 996	96 224	443	37 534

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Table XI: Agricultural holdings by municipality, according to legal nature and form of exploitation, 2009 (Statistics Portugal, Agricultural Census.)

		BIS	Castelo Branco	Idanha-a-Nova	Penamacor	Vila Velha de Ródão
Explorações	Área ha	210 006	70 034	105 519	21 396	13 057
	Total	7 225	3 556	1 683	1 129	857
	Sem SAU	11	3	7	1	0
	Inferior a 1ha	1 191	685	168	213	125
	1 ha a < 5 ha	3 971	2 054	746	629	542
	5 ha a < 20 ha	1 273	553	368	199	153
	20 ha a < 50 há	318	118	130	50	20
	Superior ou igual	461	143	264	37	17
SAU	Total	140 098	42 209	80 156	12 087	5 645
	Inferior a 1ha	853	491	115	156	91
	1 ha a < 5 ha	9 253	4 715	1 868	1 427	1 243
	5 ha a < 20 ha	11 704	4 992	3 473	1 911	1 327
	20 ha a < 50 há	9 959	3 732	4 157	1 505	564
	Superior ou igual	108 329	28 279	70 543	7 087	2 420

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Table XII: Holdings and utilised agricultural area (UAA) by municipality, according to size classes of UAA, 2009, (Statistics Portugal, Agricultural Census)

	Total			Mão-de-Obra familiar			Mão-de-Obra familiar não familiar	
	Homens	Mulheres	Com 55 ou +	Produtor	Cônjuge	Outros membros família	Permanente	Eventual
Castelo Branco	1 732	1 122	2 108	1 498	800	315	217	110
Idanha-a-Nova	904	502	782	604	319	83	329	135
Penamacor	542	393	698	505	291	76	41	44
V. V. de Ródão	322	193	365	263	136	87	31	27
BIS	3 500	2 211	3 952	2 870	1 546	560	618	315

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Table XIII : Agricultural labour force by municipality, 2009 ( Statistics Portugal, Agricultural Census.)

## Appendix B

### *Interview 1*

Interview with José Coutinho, Professor of the school of Agriculture in Castelo Branco. (June 4, 2012)

Karin:

I'm doing research about in which way in migration through agriculture can stimulate economic development in the district of Castelo Branco. For this research I would like to ask you a couple of questions about this.

Mr. Coutinho:

You can have numbers in the institute of statistics of Portugal, you can find good statistics about the regions of Portugal. I think it is a better way to know a lot about the agriculture and how it is represent in the economy.

Karin:

Yes, I have looked at data already and it is my intention to look at the data but also so speak with people like you to compare the data with the real life situation. Since you live and work in Castelo Branco you are closer connected and you could give me a good impression about what is going on here.

Mr. Coutinho:

Here, you are studying the Castelo Branco region?

Karin:

Yes, the district of Castelo Branco.

Mr. Coutinho:

The district, okay. We have two different regions, one in the south Gardunha, which has a mountain range of about 100 meters high and you have another region called Cova da Cordinha which has different climatic conditions and so it interferes with the main agricultural productions.

Karin:

And what is the main kind of production?

Mr. Coutinho:

In the south of Gardunha you have mainly the production of olive oil, cereals and the production of sheep and cheese. Then you have the properties, the land. We have larger farms here than of the north of Gardunha. There they are more smaller and the pattern of the villages... here in the south you have a concentrated pattern of villages, in the north it is less concentrated the people live more in the dispersed villages. They are more spread here. In the north of Gardunha you have mainly fruit production of peach and cherry tree and you have also animal production of sheep. Yes but the main, economically the most important production here is actually the fruit production of peach and cherry. And wine is there but not much. It is a production but present, just like in all the regions of Portugal but it is not much. It is not that important than in other regions of Portugal like Barada where we have very concentrated production of wine.

Karin:

Is agriculture also very important for the region economically?

Mr. Coutinho:

Yes it is, because you don't have here important industry. Here you have two, like in Castelo Branco and Covilhã the industry is important. But in the surroundings probably 60% or 70% is dependent of agriculture.

Karin:

So agriculture is the main source of income or do they have other sources of income as well?

Mr. Coutinho:

Yes it is, the main source of income is agriculture and subsidies. Social subsidies because we have many villages where 70% or 80% of the people living there are aged 60 or 70 years.

Karin:

Okay, so they are older age people?

Mr. Coutinho:

Yes, older age and they get social subsidies for their older age. So they live from agriculture and subsidies.

Karin:

Yes, but do you also see side activities by farmers besides there farm? Do they have another source of income? Like for example tourist activities, are farmers renting rooms to tourists or something like that?

Mr. Coutinho:

Ehm, I think that it is not important, no. Tourist activities and other activities exist but it is small. So it is not important in the overall economy.

Karin:

Okay, But here in Castelo Branco you can also see the aging of the population and the aging of farmers? Do you have more older farmers than young farmers?

Mr. Coutinho:

Yes, we have old farmers. Less than 2% of the agricultures have less than 25 years. And the main group about 80% of the farmers is between 45 and about 75 years old, something like that.

Karin:

So, is it important for the region to have more younger farmers?

Mr. Coutinho:

Yes, that is very very important.

Karin:

Do you see that land gets abandoned because there are no farmers?

Mr. Coutinho:

Yes, we have this problem because the young people now are going away when they around 17, 18, 20. Then they go to the big cities like Lisbon.

Karin:

Okay, I heard that with the current crisis also many people want to move back to rural regions where they came from. Do you notice this, that young people want to come back to the region?

Mr. Coutinho:

Yes, but up till now it is not important. We feel that there are inverse routes but now it is not important or sufficiently important to inverse the economy.

Karin:

Okay, so what do you think how can we stimulate migration to the region?

Mr. Coutinho:

What we need, let me think. We need money and many things but I think that... well we have some governmental measures that will be good for that inversion. But I think that it is also cultural. At this moment in Portugal it is cultural because people believe that they will have a better life in the big city than in the country. Because of all the many attractive things they have in the big city that we don't have in the country. Yes, I think this is an important thing and that is a thing which is difficult to modify.

Karin:

But, here at the school of Agriculture I see a lot of young people. But are they also going to the cities or are they staying here?

Mr. Coutinho:

But, now here at our school and other schools of Agriculture we have few people. Because actually the agriculture is not attractive to the young people so we have difficulties to get enough students for our courses. So we have in our school 5 courses but in Agriculture especially we have ten or twelve students which is not much. We hope that in the future we will have an inversion. We have plans for agriculture but we don't have people for the jobs. But the young people now want to do Arts and courses like that and agriculture is not attractive.

Karin:

So maybe we need to get more people interested in agriculture again?

Mr. Coutinho:

Well, I think now you might have a start of change but it is a small start.

Karin:

So you don't see a lot of migrants coming here to start a farm or work in agriculture?

Mr. Coutinho:

Not many people, we have now in Idanha-a-Nova a program

Karin:

Yes I have heard about it.

Mr. Coutinho:

You know about it, okay. But it is a punctual, how can I say...

Karin:

It is just this one project.

Mr. Coutinho:

Yes, It is just one project in a big area. So we don't know what happens. The government says that it is an important sector for Portugal and so but the things don't run.. and the speed is slow. But it is a start.

Karin:

But are farmers also investing in their farms? Because I can image if there are many older farmers that they are not investing that much in their farms anymore.

Mr. Coutinho:

Yes, the young people is investing in new technology and so on. The older farmers no, the investments are not important. The CAP, the policy it is mainly looking at the more young people. So the young people, the young farmers by 45.... I think that is the... they can have subsidies that older people can't get. Young people now have subsidy of installation and subsidies for investments. Which is a higher percentage than for the older people. So it is this reason because the old people don't invest as much as the young people.

Karin:

Are the young people usually the ones with the larger farms or do they also have small farms?

Mr. Coutinho:

Ehm I think it depends. Some young people is inheriting the farms of his parents or his grandparents and so it depends if the family has a large or small property. And in that project, that is a special project, like I told you (Idanha-a-Nova) they have between 4 and 20 hectares. Depends on the project and what they want to do with their investment.

Karin:

How about organic farming? I think that in Europe organic farming is becoming more popular. Is organic farming popular in Castelo Branco?

Mr. Coutinho:

Yes, here especially in the south of Gardunha, we have a large area of organic agriculture especially in olive grows and also in the animal production of sheep and cow to. Especially in the larger farms. Yes in small production like agriculture it is a small, small area and a small number of producers. But I don't know if but you have data about it in the Ministry of Agriculture. They are on the internet, all the organic producers are on the internet. Yes by regions I think.

Karin:

Okay, but what do you think? Is organic agriculture becoming more important?

Mr. Coutinho:

Yes, I think this also due to CAP. They are too focused on organic farming. Now at this moment from 2007 until 2010 the subsidies are mainly to organic farming and integrated production. So I suppose in the next reference community, the CAP problem of 2010 to 2014 we suppose it grows somewhat I think. I think a big problem in that type of production because we have a strong percentage of old farmers and so it is very difficult for them to convert from conventional agriculture to organic agriculture. I think this region has special conditions for organic agriculture because we have a type of agriculture using very few pesticides and nitrogen. And so it is an agriculture very close to organic agriculture. So with very small effort we can convert our systems to organic agriculture.

Karin:

The region is perfect for organic agriculture?

Mr. Coutinho:

Yes, but we have a social problem and the bureaucracy. I think this is a real problem for the conversion. Because the people have a problem because they have to fill in many, many papers and the people say no I'm going to stay with normal agriculture.

Karin:

Do you think the government could make it a bit easier if the paper work would be less? Maybe more people would then work in organic farming?

Mr. Coutinho:

Yes, I think so. I have no statistics but here in this region we have people come from the outside installing here. Many of them are not farmers they don't live economically only from agriculture. They produce something especially for them, especially for living.

Karin:

Like self-sufficiency?

Mr. Coutinho:

Yes for self-sufficiency, but many of them practice the organic agriculture. So maybe they can contribute to the change of mentality of the local people.

Karin:

So do you think that migrants might have new ideas that.....

Mr. Coutinho:

Yes, I think yes. I hope so.

Karin:

But the soil here is good for agriculture?

Mr. Coutinho:

No it is not very good. It is very poor because... the main production is animal production, extensive animal production. In the north of Gardunha the soil is more fertile and climatically it is better because it rains more than here in the south.

Karin:

But you have rivers crossing the region here.

Mr. Coutinho:

No, only the Tejo and some small rivers. But we don't have. We have a few water resources.

Karin:

Irrigation is difficult?

Mr. Coutinho:

Yes, and in the north of Gardunha we have better ways of irrigation and there is a dam serving 15000 hectares. Which is a lot. It now started working and so the soils are with more fertility and exploited more and the agriculture economically is stronger.

Karin:

But even when the soil is not very good for agriculture, agriculture is still very important for the region?

Mr. Coutinho:

Yes, it is because we don't have other resources. We don't have industry, we don't have people and like this.

Karin:

So do you think that if you want to stimulate the economy here the best way would be through agriculture?

Mr. Coutinho:

I don't know because now the tendency is to larger farms with mechanization and so lease people will be working there. I don't know if stimulating agriculture, if you have a correspondence in people. In accordance to people, young or not so young.

Karin:

Yes, but maybe with bigger farms you would have more side activities related to agriculture more export, which might stimulate the economy?

Mr. Coutinho:

Yes, of course, but I think the main problem here is that we don't have young people to modify ideas and implement activities in agriculture or activities in other sectors like tourism or industry or something else.

Karin:

So do you believe that it is important that the government pays a lot of attention to this problem?

Mr. Coutinho:

Yes, I think so because here in Portugal we have all the people near the coast and here in the interior we have only old people. We have some islands like Castelo Branco, Covilhã small cities where the population is concentrating. Castelo Branco grows from 2001 to 2011 with 4%, the population. From 31.000 to 35.000, more or less. But the difference of people came from the regions around and the villages around Castelo Branco they are now more depopulated and with more and more old people. These old people live from the subsidies, the social subsidies. This is a very important term it's...

Karin:  
Retirement?

Mr. Coutinho:

Retirement yes. Sometimes there are people that were born here moved to Lisbon, France especially France or Germany and when retired come back to the place where they were born. And so they get the subsidy of retirement and they have no special occupations, or economic contribution. They want mainly to live well and so they don't think about investment and have more money and so on and so it is difficult to stimulate the economy. So it is I think a problem of this region that we don't have young people.

Karin:

Well it is important thing to know that the young people form such a problem. I have heard it before that many young people leave the region and not many young people migrate to the region.

Mr. Coutinho

Yes, three years ago I visited a small village and that little village is a good example of many other little villages. In that town, they had 35 people then the youngest people was 72 years old. And there are many situations like that. I'm wrong because there was a young couple from the Netherlands who had two young children. From the 35 people they were the only one younger than 72. But it is common in many village here. So you can image what that type of population can do for the economy.

Karin:

Yes not much. But then in a short period of time there will be some deserted places. When there are so many old people in the places then there will be no people living there anymore.

Mr. Coutinho:

Yes, I think so and we have now some villages that don't have any people.

Karin:

That is hard to imagine that the population decline is so severe here.

Mr. Coutinho:

I think it is not easy to revert the situation because it is a long time process but it was not stopeed a long time ago, 20 or 30 years ago and now it is very difficult. You have here near Castelo Branco a village, a small village. That has all minimum conditions for, it has a swimming pool, supermarket all. You have very good conditions of living but it is very difficult to attract people to live there because there is no employment. People don't want to come to a place where there are not many things of cultural and social activities and so it is hard reality.

Karin:

So the cities are still more popular to live than the small villages?

Mr. Coutinho:

Yes, yes and the tendency here to concentrate people in Castelo Branco and to have the loss of people of the villages it is actually the situation.

Karin:

So they come to Castelo Branco because there are more services and...

Mr. Coutinho:

Yes, less unemployment because there is some industry. Sometimes the couples live in a village two or three children. The parents don't want that the children live in a place where the children don't have other children to play with. The children of the village also don't have school there they need to go to school in a village where schools facilities and more people. So the parent come and live in Castelo Branco where they have the facilities.

Karin:

Okay thank you. These where my most important questions. I have a better image about how things are here now. Do you want to add anything

Mr. Coutinho:

No, I think that these are the most important questions linked to the economy and the factors that affect the economy and agriculture and the progress of agriculture in the region. I think that the main factor is people, young people.

Karin:

Yes, that is why I put the migration factor in my research as well.

Mr. Coutinho:

Yes, It is not easy to attract them.

Karin:

Yes, It is funny because in Lisbon I heard more people who wanted to migrate to the country because living in the city is more expensive and here is more space etcetera and here that no migrants are coming so it is a bit of the opposite.

Mr. Coutinho:

Yes, Because I think that in the big cities like Lisbon, they feel the difficulties to live in the city but it is not easy to go to something that they don't know. Because many of that people have no relative in the country and it is a jump in the unknown. So the life in the country is probably better but it is not easy to take the decision. But there are some people and we have some people here that come from the big cities that come here but they are only a small quantity. It is not enough to help.

Karin:

Well thank you for your help, it was very interesting.

## *Interview 2*

Interview with Anselmo Cunha and colleagues, Ministry of Agriculture in Castelo Branco (June 4, 2012)

Karin:

I'm doing research about in which way in migration through agriculture can stimulate economic development in the district of Castelo Branco. For this research I would like to ask you a couple of questions about this. Is it okay if I record it on tape?

Anselmo Cunha:

Yes sure no problem. But as I can understand this is your hypothesis?

Karin:

Yes can migration through agriculture....

Anselmo Cunha:

Migration and growth..

Karin:

Yes, through agriculture

Anselmo Cunha:

And agriculture okay, based on young people?

Karin:

Yes, because I think that young people might bring new ideas and are more willing to invest in agriculture.

Anselmo Cunha:

If you know, this movement does not exist as I know (migration to Castelo Branco), your hypothesis has a problem. I guess it is better if you would talk to your supervisor and confirm the hypothesis. Does he know that this movement does not exist?

Karin:

No, because we believe that, especially at the moment with the economic crisis more people are thinking about moving back to the rural areas and work on the land because they lost their job or it is too expensive in the city.

Anselmo Cunha:

Yes, we heard about that but now it is not happening with the strength you need. You need that many people come and that young people fix the land and work the land to stimulate growth of the region. That is all we want.

Karin:

Okay, it's like a dream?

Anselmo Cunha:

It's all; we want that people come to live and to work here but why are they not coming here?

Karin:

Do you know why they are not coming?

Anselmo Cunha:

I can guess. First the profits of the agriculture are long time. They are not immediate. If a young person comes here, unemployed, he will have to wait two or three years to get a profit from agriculture. He, that person, can't support two or three years he needs a job immediately because he has a family, wife kids and two or three years is not possible. The other reason, there are many reasons. The other reason is that maybe people have an idea of agriculture that it is hard work and people who have lived 20 or 30 years in the big city would they come for hard work. It is difficult. No profits, hard work who would want that? Two simple reasons.

Karin:

But do you think that the government should promote it more and stimulate migration to rural areas?

Anselmo Cunha:

Yes of course. At the moment the ministry is going to give contracts to help people, and give rent helping with money. But they all need to have some money to... The government does not give everything they need, they give a small part and the people need to have the other part but the people don't have nothing to come.

Karin:

Is it also because of the crisis that people don't have anything?

Anselmo Cunha:

Yes, the crisis has two problems. The government has no money to invest in agriculture. They need to give and invest and make money with agriculture. They want but they don't have money.

Karin:

Is agriculture very important for this district?

Anselmo Cunha:

Yes, because we have little industry. How do I say that we have industry but there is many land to work. We have a problem with the climate, weather. Difficult problem with weather. But we have regions in (Idanha?) near here with good land and water, irrigation.

Karin:

Do you also notice the aging of farmers here? Are there less younger farmers to replace the older farmers?

Anselmo Cunha:

Yes, we have this problem, agriculture is aging but young people don't want to fix it. This is a good question and I will tell you. This is a rural area, you will know that. Agriculture is contributing to the economy no doubt about that but why does it not happen because the land is poor, the weather is not good, the people young people want other things than agriculture and so on.

Karin:  
So many reasons?

Anselmo Cunha:  
Yes, many reasons. So your hypothesis needs to revise it's my opinion.

Karin:  
Yes okay, but what do you think. How can we stimulate agriculture here?

Anselmo Cunha:  
Oefh, if I had the solution...

Karin:  
Will migration not stimulate agriculture if more young people would work in it?

Anselmo Cunha:  
How stimulate giving money?

Karin:  
Not only by money but migrants could also bring new ideas or try new ways of farming such as organic agriculture. I've heard at the university of Agriculture that it is pretty easy here to switch to organic farming.

Anselmo Cunha:  
It is possible, what I'm saying is that this is not happening now. Not that it is not going to happen in the future, I don't know. Because of the crisis maybe many young people will come here. But now, as I know, I don't know may people who come. I don't know maybe I'm disappointing you.

Karin:  
No, it is okay. It is good to hear.

Anselmo Cunha:  
I'm a realist you know, I'm afraid that if you continue this hypothesis that you after that after all the work you have done you will conclude that your hypothesis will not work because the terms of the hypothesis is not real.

Karin:  
Yes, but that will also be an conclusion if it would not work.

Anselmo Cunha:  
It is not working because there is no migration! If the migration happened, yes maybe agriculture would contribute to the growth. Could be, but the problem is that this not happened as I know.

Karin:  
The person who I spoke this morning also told me that migration is not really happening at this moment. You could also see that at the school of Agriculture where he teaches like a third of the people are studying now than there were 5 years ago. So students are becoming less and

less. But I also heard that people from abroad were coming here like from France or Germany but only few people.

Anselmo Cunha:

You should talk to this people but I don't know this people.

Karin:

That's okay I know some of them.

Anselmo Cunha:

How many?

Karin:

Around five. I don't know that much.

Anselmo Cunha:

You need a 1000 people and I don't know a 1000, I don't know 500 I don't know 300. I know 20.

Karin:

Okay, But could you otherwise tell me something about the agriculture in this region? For example is it mainly small-scale or do you have more larger farms?

Anselmo Cunha:

We have small-scale and we have bigger farms both

Karin:

What is the most common?

Anselmo Cunha:

The most common, in the east we have small scale and more towards the boarder of Spain we have big farms.

Karin:

Is that also because here there is more extensive farming with cows and cattle?

Anselmo Cunha:

Yes, it is extensive unless some animals. Some of the animals are intensive and some farms have intensive production of cows, not pigs. There are many cows here and sheep as well.

Karin:

But not like olives and wine?

Anselmo Cunha:

Yes, big farms with wine. So I'm afraid that the thing I am telling you makes you give up. So my advise it to be careful for your own study.

Karin:

Yes thanks but it's no problem. I really won't give up.  
But what about side activities. Do you see that a lot by the farmers here? Do they also have other activities besides agriculture?

Anselmo Cunha:

Yes, I think I have data about that, but not now. Maybe the INE has some. This is the datacenter.... No, there is not... I can't find it. Maybe you can look for it, the agriculture census from the INE. You should look with someone who knows Portuguese cause it's difficult.

Karin:

Yes I would try to get some help. Portuguese is a difficult language.

Anselmo Cunha:

Almost as difficult as yours how do you say that?

Karin:

You call it Dutch.

Anselmo Cunha:

Dutch okay. Your question is if people who are working in agriculture have profits outside the agriculture?

Karin:

Yes

Anselmo Cunha:

You can. It is here. You have to get some help. Yes, agriculture let's see if... this indicator does exist but we need some time to get it. If you need some data I can send you later, probably after tomorrow.

Karin:

Okay, but do you know if there is a lot of organic farming around here?

Anselmo Cunha:

Organic farms there is are a organization.. let's see.. Organization organic farming (opening a book)

Karin:

All these are organic farming organizations?

Anselmo Cunha:

Yes, but here in Portugal. You have this one in Castelo Branco here it's called ARABBI. Regional Association of Biological Agriculture. But there is no site only an phone number. But they have the number of Organic Famers. I can give you some date but we were discussing this. If you want data you can contact me and I can send you later.

Karin:  
Okay, that is great.

Anselmo Cunha:  
The alternative is to do a case study because there are people coming. Less people, but there are people coming. But are they enough for your study that's the question.

Karin:  
But do you think in the future this region will have a problem with the aging and depopulation of the region?

Anselmo Cunha:  
Yes, soon we have

(A colleague walks in)

Karin:  
Hello.

Anselmo Cunha:  
Let's see the opinion of her.

Colleague 1:  
Of what?

Karin:  
Do you think that migration, through agriculture can stimulate economic development in Castelo Branco?

Colleague 1:  
That depends of what kind of people comes here and goes out. But the conditions and the economic conditions of the countries they are from.

Karin:  
It doesn't really matter where the people come from, it can be from the cities or from abroad, as long as they will be working in agriculture here.

Colleague 1:  
I don't think that the increasement is a very big one.

Anselmo Cunha:  
Why?

Colleague 1:  
Because, there are not so many people there are only a few one's and there are many people leaving.

Anselmo Cunha:

It's a pity for us. We would like that immigration exists and that people would coming and working in agriculture but that is what we wish because it is not happening.

Colleague 1:

It exists but only so little that it is not expressive, it changes nothing that is my opinion.

Karin:

I'm studying in Lisbon now and there I hear all kinds of signals that people want to move to the rural....

Anselmo Cunha:

Okay, tell them to come.

Colleague 1:

You must have in mind one thing. We Portuguese we talk too much and there is a big difference between what we talk and what we do. So many people would like to move related to agriculture but if ....

Anselmo Cunha:

Work, hard work people don't want that. And you have to be patient and you have to wait for the products to harvest. Two years no people don't want to wait so long. And then you have the changing market conditions and you need to sell the products at a good price. The cost of production here is also pretty high. So when you go to the market you need to get a good price. If you are not able to produce for a compatible price and compete with Germany, France, no way.

Karin:

But can you not compete with the quality of the products. Because here you have many local and specialized products like wine and olive oil.

Anselmo Cunha:

Yes, we have good products. But the consumers are buying the cheapest products, you do not buy the good one.

Karin:

That's why I was asking about organic farming. Because in the Netherlands for example people are becoming more interested in organic products and are willing to pay a bit more for them. Maybe organic farming can also become profitable here.

Anselmo Cunha:

Yes, you can come here make an organic farm and in four or five years you can sell good organic products in the Netherlands but is it possible, will people buy organic products?

Karin:

I think there will be a market for organic products. But you don't see it happening here?

Anselmo Cunha:

No, it is happening in small towns and small producers. I can make a good organic product here like an apple. My apple is organic. To reach Holland with that apple I... my production cost are 1 euro, okay. To get in Holland it cost three euro's and you won't buy that product.

Karin:

But maybe you can sell it in Portugal, in Lisbon for example you have organic shops as well.

Anselmo Cunha:

No, there are not many people here who want to buy good products. The problem is to get the cost of production low.

Karin:

What is making the cost of production so expensive?

Anselmo Cunha:

The soil, the land...

Karin:

The soil is not good?

Anselmo Cunha:

Maybe, if you have, the land is good but the market...

Colleague 1:

The problem is that we can't compete here in Portugal with products from our own country with products coming from other countries.

Anselmo Cunha:

Everybody is buying the cheapest.

Karin:

Is that maybe because you have so many small-scale farms with higher production cost?

Anselmo Cunha:

Yes we have..

Colleague 1:

That is the problem, that is the problem. The quality of the small farms is because of the cost of the small farms.

Karin:

And they are not investing in larger farms in order to be able to compete better with the market?

Colleague 1:

The structure of this country is different, we have not.. in some region for example we only have little properties. It is difficult to make here production...

Anselmo Cunha:

... to win a position in the market it is not good. Because you go to the big store and people like we buy the cheapest and don't care about organic.

Colleague 1:

For instance in one region we grow potatoes. The potatoes from that region are very good ones. But we buy Egyptian potatoes and not Portuguese. Because Portuguese are too expensive to buy.

Anselmo Cunha:

For me to work for a kilo potatoes it cost 1 euro and I have to sell it for at least 1.10 euro as minimum, okay. You also have potatoes for 50 cents, so it is impossible. We need to ask our self how can they produce potatoes for 50 cents, because they have a cost of production so low.

Colleague 1:

But this is why I told you that person who you talked to in Lisbon. This example, the cost of production of potatoes is 1 and they want to sell for 2 and that is not possible. So perhaps they come and stay here but..

(Colleague 2 comes in)

Anselmo Cunha:

Let's get their opinion as well. Karin is studying if migration through agriculture can stimulate economic development. He doesn't talk English so I will translate.

Colleague 2 Translated by Anselmo Cunha:

If we have in-migration we would have growth. First because of new ideas..... and the new migrants would like to have bigger farms it is difficult to buy land.

Karin:

Really, because I thought that with the aging of people more land would become abandoned and it might be more easier to get land.

Anselmo Cunha:

The farms are small-scale to lower the cost of production and have bigger farms it is difficult.

Colleague 2 Translated by Anselmo Cunha:

We have good examples in Portugal, in Alentejo okay fruit and small good like tomatoes and this kind of thing. There are many examples of success. Ehm in littoral the land is better, the weather is better and the cost of production is low. We have too much hot weather here.

He is optimistic, the people are not coming because they don't know it they come if they will be successful.

Karin:

So the government should promote this more?

Colleague 1:

Yes, for example the government has been giving land to Portuguese people.

Colleague 2 Translated by Anselmo Cunha:

There are 28 people with the government has a contract and who the government is supporting with money and they are coming. If the people come there is a migration in the north. People are not coming to this region but are going to the Litoral because it is near the sea the weather is better and soil is better to work on than here. Here it is more expensive because we have less rain here so higher cost of expensive.

So if your original hypothesis is this I believe that you should discuss it with your supervisor because I believe at this moment that it is not happening.

Colleague 1:

At least it is not big enough to stimulate economic development.

Karin:

Okay, these were all my questions so thank you for your time and help.

### *Interview 3*

Interview with João Carvalhinho and Rosa Bonacho, municipality of Castelo Branco  
(June 25, 2012)

Karin:

Do you know what my research is about?

João Carvalhinho:

Just that what you sent in the mail.

Karin:

It's about how migration through agriculture can stimulate economic development and about these three aspects my questions will be. Firstly about migration, are there many people coming to this region?

João Carvalhinho:

Well, official data is not available but in common sense and the situation that we know and the people that we know you can say that there is a movement present over the past 4/5 years. People return to agriculture, mainly people who have experienced professional situations in the urban context, in the main urban agglomerations in Portugal, Lisbon, Porto, the littoral, the coast part of Portugal. Yes those people are coming back to the land of their grandfathers and in other situations with no prior relation with this or that land but the will of coming back...

Karin:

So there are people who are born here and then moved to the cities who now are coming back?

João Carvalhinho:

Yes, because this particular region of Portugal suffered intense from demographic reduction in the past 40 years and the generation, the people went out to several countries of Europe or even to the coastal part of Portugal, the sons of that generation have a relation with the regional land of their fathers and families. But this movement is made by two types of people, people who have this family relation with this land and people who has not those relations with this territory.

Karin:

Do you think that the current crisis is stimulating people to come back to this region?

João Carvalhinho:

Yes, that is one of the factors or reasons that explain this movement. I asked Rosa to come today and look for people who came here to start a farm, she is more specialized in agriculture here and she has better experience and has a list with three or four situations or case studies

which could be interesting for you to see. (Rosa gives a list of three farmers who are came to Castelo Branco) Because all these three cases are near Castelo Branco and they can help to characterize our local situation. Our local situation is special for this process because we have large properties, the situation of the land are basically large properties, the agriculture activities are extensive productive systems and they have a strong relation to forests and sheep and goat, meat and cow meat production. So there are situations that are not favorable for this type of migration because all these situation that Rosa have listed here are small scaled and small production and different from the general production here of the situation in Castelo Branco. Because the situation is that large properties, cork production, sheep production in large scale so there are few cases of young farmers who return to Castelo Branco who do this larger types of explorations, and there are other situation in which we can distinguish, it is the irrigated agriculture which is different from the dry agriculture. But in the general aspect of the situation of nowadays we can indentify several young couples, mainly young couples who come to Castelo Branco and animate the animal production in but in different areas.

Karin:

But the people who come they mainly have a small-production scale for self-sustainability or do they sell to the market as well?

João Carvalhinho:

You have both situations. You have people who came to mainly treat their own situation and the exploitation is mainly on the family basis and the production is mainly to take care of that family. But you have this three different situation for instance Eervas da Zoé is an enterprise now who is paying with the intensity of the situation, Matrirus for them it is natural to depend for the production on the market because they have ostriches that is not for self-consumption and Quinta Do Aboiz is one of the most recent activities and they produce basically to the local market. So we have the two types of situations those who only or mainly produce for themselves and those who have a market attitude from the beginning.

Karin:

Do you think that it is important that these migrants are coming to the region? Are they needed here to stimulate farming, because I heard that depopulation and aging of farming is a problem here?

Rosa Bonacho:

Yes, We are two different people, we have the little enterprising and we have two types of farmers young farmers, and the other the new farmers they have a family and came back to here, returned to here. The young farmers are very important for Castelo Branco and their production is very specific and they go to the market, not big exploration but very small and specific and good work. I'm sorry for my English but you understand?

Karin:

Yes,

Rosa Bonacho:

And I think it is very important to go to Castelo Branco because they are young, young people.

João Carvalhinho:

In this interior land of Portugal we have demographic decrease since the 1960's and we can sustain the population in these middle cities like Castelo Branco and Corvilhã that population first migrated first abroad, they migrated to the coastal part of Portugal and they migrate to the middle-sized cities in the territories. So you have immense hinterland between those cities there is a vast human desertification process happening, biological densification to but the importance of people returning to these regions is there because the risk of leaving the land abandoned is very intense with the fires, the problem of security in these remote areas with nobody. The typical phenomena that we have here in the present time is that we are closing schools and that we are reforming these schools for structures to support the old people. So we are closing school and transforming them in to equipment that the population need for the support of the older people. We are also closing schools and transforming them in places where we can put the deaths, I don't know the word for that.

Karin:

I understand what you mean.

João Carvalhinho:

This is the paradox that we have here because of this demographic decline that we are seeing here for the past 15 years or so. Very strong.

Rosa Bonacho:

And about your last question, I think that for the young producers it is difficult because some of them don't have the knowledge of the agriculture.

Karin:

Okay, so the people who are coming are not skilled in agriculture?

João Carvalhinho:

No they are not, as you see there with Ervas Da Zoé, they are electrical engineers. Because of the social situation nowadays, the economic crises and so on the realize that there is another opportunity in the agriculture and so they attempt this opportunity. In this present time the land is no problem, well it is still a problem because most of the land owners think that the value of the land is equivalent to the urban value of land. The land value is one of the greatest problem we have because people leave their land abandoned but when you ask the people to sell or rent the land they usually sat no. That is a very difficult thing to do. These generations, they are 60 or 70 years they are very strict to the land and just to think about selling or renting the land is a very complicated process. That's another reason that we consider nowadays, those generation of landowners, when they pass away, the type of relationship between the land, the owners and the exploitation could be different. Nowadays that it's one of the great difficulties people who want to start in agriculture have because the land availability there is because it is abandoned but when or want to rent it or buy it is difficult.

Karin:

But the government is not able to buy the land from the people?

João Carvalhinho:

The government in the recent time is busy producing a legislation that after a period of time of abandoned the land will return to the state and the state will afterward rent it or sell it. But you can imagine how difficult this is. In this country with our culture and our social characteristics in our country with large traditions where always the land is always the factor for difficult relationships between neighbors, between well a very typical situation in a Mediterranean area. We have the revolution of 1964, after the revolution one of the processes which was very intense was the reform agrária, to reform and give the land back to the workers. This was 20 years afterwards in 1974, the land was mainly returned to the owners who lost them in that process. So this was a very difficult situation in Portugal.

Karin:

Does the municipality have any say in this, are you able to stimulate....

João Carvalhinho:

No, the municipality has no saying in this part of the social economic development of our community. What we do is very different thing, we promote activities of support to agriculture production. That is our part of our contribution of this situation because we have no legal saying in land issues and planning and organization of agriculture for that we have special center of agriculture, the ministry of agriculture but the municipality has an agent of local development. We have several projects which help and support agricultural activity. In a very brief way, we have a technological center of technological support with labs in microbiology etc. in projects INIA investigation, development and innovation. We have organizations who work closely with the agricultures, the producers and the farmers seeking new forms of production and new products. We have one specialized unit who works only with producers and that idea of honey, which is one of the distinct productions which we have over here. We have another important development in the agriculture right now it's the production and for the different olive producers. They are all brought to the same plant and in this plant they are all created in the different products and brought to the market. This business, this plant belongs to the municipality and in one time of the year it is working. We also have another production of cow and sheep. A center for the final treatment of that production. Those are the roles that the municipality has to play. Development of these structures and the support services to the agricultures and farmers.

Karin:

Do you think that if you want to stimulate the economy here it through agriculture would be a good way? Is the economy here based on agriculture?

João Carvalhinho:

The economy here was traditionally based on agriculture. Mainly until 1980 when Castelo Branco was in different activities than the industrial ones. But till 1980 and from that to now, well agriculture productions are very important for the local community with very decreasing

social impact because they are involving less people year after year. This process of return and the process of regaining new actors in agriculture activities is very important for us. Agriculture activities have a very important role in our state because the social situation and because of the older agent of the farmer they are dying and so the replacement factor is very important. It is low but very important.

Karin:

Is the agriculture here more modern or is it a bit out of date?

João Carvalhinho:

You have one important thing. You have the old practices that produce regional products and the traditional high quality products. And that it is one of the activities that, in cheese production for instance they have modernized in the last 20 years with the support of the European Union funds and but they are still maintain that traditional. We have a different situation in olive production for instance. You have the intense olive fields and the traditional fields that are not alike and the productions are not the same. When you taste olive oil of very old olive trees it's very different than when you taste the oil of modern production. Very, very different. But even in that situation you have an opportunity of modernization and yes that is being made, we have places where we transform olive oil very modernized and we have the old situation with old, so we have both. Different productions and different prices. These three examples here (three farmers on the paper) all have very different types of agriculture, for instance aromatic and herbal plants but it's a difference in the production because the market nowadays asks for it.

Karin:

Do the farmers also have side-activities from which they get an income or do they get their income only from agriculture?

João Carvalhinho:

Some of them have yes, because you have a territory which is very rich in natural interests and natural values. And in some situations you can combine agriculture and tourism. Agriculture and tourism in different ways and in different types of organization, yes. They are very often connected in the same exploration. You have another situation that is agriculture in part-time because people work also in another occupation than agriculture, like 50% of his time.

Karin:

Is this more common by the migrant than by the local people?

João Carvalhinho:

Most recent farmers they came in exclusively way for agriculture. Because with 35% of unemployment rate it is not expectable that people came to work in a program where you have a job in services for instance and then complement it with agriculture, no. these three the example for people who come only to do agriculture.

Rosa Bonacho:

Because they buy the land, so it's different...

Karin:

And what about organic farming? Do you see it a lot around here?

João Carvalhinho:

No not a lot, but there is an explanation for it. Our traditional agriculture is almost organic farming. Well we don't have, except in areas of irrigated agriculture, with productions of tobacco and tomatoes for industry. If you take those areas you have some use of chemicals and so but in the other part in the most part of the land you have cork production, pastures and natural pastures with no use of any type of chemicals. Olive oil, the oldest so the most extensive part of the agriculture territory of Castelo Branco is under the traditional extensive farming way.

Karin:

Do you think that these people (farmers on the list) are organic farmers?

João Carvalhinho:

These people yes, most of the newest farmers they got organic proceedings.

Karin:

Can you also see that these migrants have new ideas and look at agriculture in a different way than the local farmers?

João Carvalhinho:

Yes, like ostriches in Castelo Branco is very, very new. And aromatic plants they are not new but the market exploitation of it is yes, And normally they introduce the traditionally way of farming and have a variety of situations with the uses of different techniques and networking with others, well they tend to put food in the market with these kinds of relationships and try to contact clients with that net friend work. Well it is a very slow process but they are moving on.

Karin:

So they are investing in their land and in agriculture?

João Carvalhinho:

Yes, they invest in a live opportunity.

Rosa Bonacho:

People now in the agriculture need and try to be competitive and you have the old farmers and you have the new farmers. The old farmers are the little farmers and to the big farmers. But the little farmers produce the traditional products not modern, very little production but good

traditional production. And there are the big, modern farmers with irrigation systems ect. Now you have the new farmers very specialized farmers. They work to be competitive, to sell and build up your farm.

Karin:

Okay, because for me it is important to see if the farmers are investing and planning on staying here or if they will return to the urban region after a while.

João Carvalhinho:

No, these three and others make a choice for live.

Karin:

Do you believe that migrants are really needed to come here for the agriculture?

João Carvalhinho:

Yes, it is very, very, very needed.

Rosa Bonacho:

Castelo Branco is old Portugal

João Carvalhinho:

Yes, it is the traditional Portugal, we have in Castelo Branco nowadays since the 80's a large number of companies and industries, they are very recent. But the traditional economic structure of this territory has a strong relation with land and agriculture. It is our economic base so we must maintain the use of land and the agriculture production because if we don't we lose our roots. It is very difficult to sustain with the social situation we have now. The traditional family that was in Castelo Branco, who worked in the factory for instance, their fathers, if they don't have the farmers they have a relation with family who leaves around Castelo Branco where they go in the weekend. The agriculture and the small productions that they do over there and what they produce for their own consumption and that's one of the types of the agriculture in our local population. They don't maintain that relation with the land and with the agriculture because it is economically interesting for them but the social and economic situation of nowadays with the high unemployment. If you have, in the most part of the population they have that relation, if you have a relation with land that was from the family you maintain that, you produce agriculture for you own consumption and in that way you reduce the spending in the supermarket.

Karin:

But at the moment is the amount of people that is coming is still relative small? You would like to have some more migrants?

João Carvalhinho:

Yes, we would love to. It's the only choice that we have for not continuing the closing of schools.

Karin:

Do you see the people moving from the small villages to Castelo Branco or do they come from other places?

João Carvalhinho:

No not from the small villages in the nearby because you have a very quick connection from the villages to Castelo Branco. People are coming to the small villages 30, 20 kilometres from Castelo Branco, half an hour distance from Castelo Branco. Because in that situation the properties are cheaper and you can find a lot of opportunity in land and housing and so on.

Karin:

Do you have any idea about how many people come here per year?

João Carvalhinho:

No we have the official stats in the last year it was a statistical year of the census of the national population. In that census in similar situation of the 2001 census, the ten year period. The population of Castelo Branco, the city and municipality since 1960 was decreasing. I have here a graphic of that and in 2001 we interrupted that process and grew again and in 2011 to. So the data is only that.

Karin:

But you do think that migration could stimulate the economic development through agriculture?

Rosa Bonacho:

Yes,

João Carvalhinho:

Yes, because migration will certainly bring more population, more schools and so on. They are coming. It's a small movement but we expect that it will increase in the next years.

Rosa Bonacho:

I think that in the next years, the migration will be more important. But here in Castelo Branco they have good characteristics, good opportunities. They have land, irrigation area, the camara is here to help the producers indirectly. It is now a good condition to come. The market is a bit easy now.

João Carvalhinho:

It is very important that Castelo Branco has a good irrigation system and the market opportunities because the people now are looking for organic production and traditional production without the use of chemicals and they often have products in relation with the natural territories. We have here a lot of natural values but it is a very low and small and slow process but it is happening.

(João Carvalhinho printed a paper with the population rates of Castelo Branco and the district.)

João Carvalhinho:

Here you have that statistical. We have here the city, the municipality and the district that is the great region of Castelo Branco. 2011 has different values but as you see here it's decreasing till 1991 and then we stopped that process of decrease and we got population again. It's a very small dynamic but it is there.

Karin:

But the growth is because of natural growth and migrants?

João Carvalhinho:

Well yes, but the natural growth is very low and one of that. Well it's the same phenomenon we lost population from migration and got population from migration as well.

Karin:

In the district the population is declining.

João Carvalhinho:

Yes, very this decrease of the district is because the only the cities are increasing and the municipality lost population until 1991. Because of the city growth you can stabilize the nearby land but in the district yes because they have no natural growth and migration from the other part of the districts to the cities. They have smaller populations.

Karin;

So the really rural areas are declining? No migrants are coming there?

João Carvalhinho:

Yes, they are decertified. Well there are migrants who are coming there but the statistical relevance of that is very small.

Karin:

Thank you I have a better image now about how it is working here.

*Interview 4,*

Interview with Franz-Georg Binder farmer near Castelo Branco, (July 1, 2012.)

Karin:

Firstly I'm very interested why you migrated to a rural area like this one?

Franz-Georg Binder:

I come from the countryside from my youth, with farmers in my region where I grew up. But after I found my professionalism, I was a teacher and living in Lisbon. But then I decided to live closer to nature and move here.

Karin:

But why did you came to this region?

Franz-Georg Binder:

The region is nice and I knew it when I came to Portugal.

Karin:

Ow, okay, you knew the region,

Franz-Georg Binder:

Yes, I knew the region. It is very nice, very pitoresk.

Karin:

You bought this farm?

Franz-Georg Binder:

Yes, I bought this land, 6 hectares.

Karin:

But you don't have any family here. You didn't know anyone before you came here?

Franz-Georg Binder:

No, I have friends in the region and in the village up here.

Karin:

Okay, are there more people here in this region who moved from an urban region to here?

Franz-Georg Binder:

Eh, sometimes it happens but it is rare, there are some families who came from Lisbon. I am from Lisbon to but some went back. Yes I only know one family who stayed and lived here, she is an architect and he is a teacher.

Karin:

Do you know why the people went back?

Franz-Georg Binder:

For economic reasons and for family reasons.

Karin:

Do you notice that with the current crisis more people are coming here?

Franz-Georg Binder:

I hope not. But I think there are several considerations. I think people are moving to towns because here the economic basis does not exist. The politic, national politics and European politic destroy the little farms. It destroyed it in Germany, it destroyed it in Holland and it is destroyed everywhere because they help the big companies, the industries. They are not interest in the little farms, agriculture. There are some tendencies now to preserve the landscape and land but the point in not for the little farmers to be able to exist. The reason is that the farmers are not there to preserve landscape but to make something to eat for the people, the population in the region. But official politics take care of the big markets and the big markets bring the food where they can get it the cheapest and the big distribution companies like Lidl, Aldi or Écomarché they are French, German they are the same, you know. They want to sell their stuff and not to catch it here.

Karin:

But the organic production, is that happening here?

Franz-Georg Binder:

The biological food in the town it is an occupation to have good food, good quality. It is better here because people don't have other occupations. But people don't know much about it. The people give more subsidies to organic production than to the small farmers but it is impossible for me to produce organic food?

Karin:

Really, why because you have to fill in many papers?

Franz-Georg Binder:

Forms yes and you have to pay and sign a contract with a firm and they get the money. You have to pay for the contract with them and the other question is that there is no market. This region has 4000 people and most people produce for themselves, have their own garden so there is no market for organic agriculture.

Karin:

But there is also no market if you sell it for example to the people in Lisbon?

Franz-Georg Binder:

No, that is 250 kilometers from here and the price is not adjustable.

Karin:

What do you produce here?

Franz-Georg Binder:

I have garden products, potatoes, carrots, tomatoes and other garden products and I also produce olive oil. I have 600 olive trees on my property. I produce jam's and formally I had sheep and I milked the sheep and mad cheese. But now it is impossible because you have to have such cheap hygienic rules. That made it impossible and it is strange because nobody died by the cheese made in the farm.

Also my neighbour made cheese. He had 100 sheep who he milked by hand every day, but he had to stop because the rules said that he had to milk the sheep by machine and that was to expensive. Without the machine he was not allowed to sell his cheese on the market so he had to stop and now he only produces for himself and for friends. These kind of hygienic, for example you have a milk compartment who cost more than 20.000 euro's for a farmer with 20,30 or 40 sheep that is impossible.

Karin:

Now you produce for you own consumption?

Franz-Georg Binder:

Yes, sometimes when I have an overabundance I go to the market, but I heard that to go to the market no I have to get a license. I didn't know that. So if it is to hard it is not possible.

Karin:

Do you also have other activities besides agriculture in order to get income?

Franz-Georg Binder:

Yes, I have a room to rent here and I have a tractor so I make work outside for other farmers. Yesterday I had to work with the tractor to prepare the fields for someone else. And I have the olives, I make olive oil to friends and family. The olive oil of this region is very good. I also have cork trees, but I only have around 20 or 30 of them and you can only harvest them once in nine years so you don't make a lot of money with them. So it is not a significant income.

Karin:

Ow okay, I thought that might be profitable because when you look in the store the prices for cork are pretty high.

Franz-Georg Binder:

Yes, the price for the product for the buyer is really high. But the farmer, the producer receives for 30 year already the same price or less. In your country it is probably the same because the politics support the big producers and the commerce. They are rich.

Karin:

But for migrants like you it is very difficult then to come here and work in agriculture?

Franz-Georg Binder:

Yes, you can do it if you decide to have a poor life. A life without much money and I did.

Karin:

So you knew before you came here that you would not have a lot of money but still you wanted to come?

Franz-Georg Binder:

Yes, I wanted to go out of the city. Too much cars and too much noise and too much pollution.

Karin:

That is very interesting to know that it is difficult to make an income from agriculture and that it is difficult to stimulate the economy.

Franz-Georg Binder:

No and the economy doesn't stimulate me. It is a personal decision. I think economically my farm is not rentable. It is rentable for me because I am the only person to feed, so I don't need much. And I bought the farm with the money I made in my formal profession so I don't have to pay interest. Only on this basis I can maintain. I have a car which is old and good but it should not break down just like my tractors. If they break down I have a problem.

Karin:

For migrants who already have family or land here it would be easier to move then?

Franz-Georg Binder:

Oh yes, but normally people don't move from the city to here. They sell the land they have here and go to the city. There is plenty of land here, if you want to buy I will help you to get it. In Castelo Branco the prices for land is not that expensive because there is so little population.

Karin:

The depopulation and the aging of people is a problem here as well.

Franz-Georg Binder:

Yes it is a problem.

Karin:

Well thank you, It is interesting to hear from a farmers perspective the reasons for migration and that it really is a life decision when you decide to migrate.