

SWOT Analysis report - CIM do Ave



This report has been elaborated by Grupo FIDA, Consultoría y Formación.

*The information and views set out in this report lies entirely with the author
and does not reflect the opinion of the European Union.*

November 2018

Index

Index	2
1. Introduction.....	3
1.1. Background	4
1.1.1. Territorial context	4
1.1.2. Demographic context.....	5
1.1.3. Economic context.....	6
1.2. SWOT Study methodology.....	7
2. Findings of the study	8
2.1. Q1 - Sectors represented by the respondents	8
2.2. Q2 – Familiarity with the term "Silver Economy"	9
2.3. Q4 - SMEs are well placed to develop new products and services targeted at the Silver Economy?	10
2.4. Q5 - To what extent do older adults in your region benefit from innovative products and services	11
2.5. Q6 - To what extent do older adults in your region encouraged or facilitated to remain as active economic actors	11
2.6. Q7 - Types of services most commonly availed of by older adults in the region	13
2.7. Q8 - Can enterprises participate in local familiarization/ training courses related to the growing opportunities in the Silver Economy?	13
2.8. Q9 – Ranking of the potential for SMEs in the region to develop new Silver Economy business opportunities.	14
2.9. Q10 - Local training courses for older adults to secure new occupational skills.....	15
2.10. Q11 - Are you aware of anything in the Silver SME sector which might be considered a good practice?	15
2.11. Q12 - Does the region have Policy Instruments (programmes) specifically focused on the Silver Economy?	16
2.12. Strengths	17
2.13. Weaknesses	18
2.14. Opportunities.....	19
2.15. Threats	20
3. Conclusions.....	22

1. Introduction

The strategic objective of SILVER SMEs, co-financed by the Interreg Europe Programme of the European Commission, is to improve the implementation and delivery of Regional Policies for SMEs competitiveness by building on significant opportunities arising from the Silver Economy (SE). **The Silver Economy can be defined as the economic opportunities arising from the public and consumer expenditure related to population ageing and the specific needs of the population.**

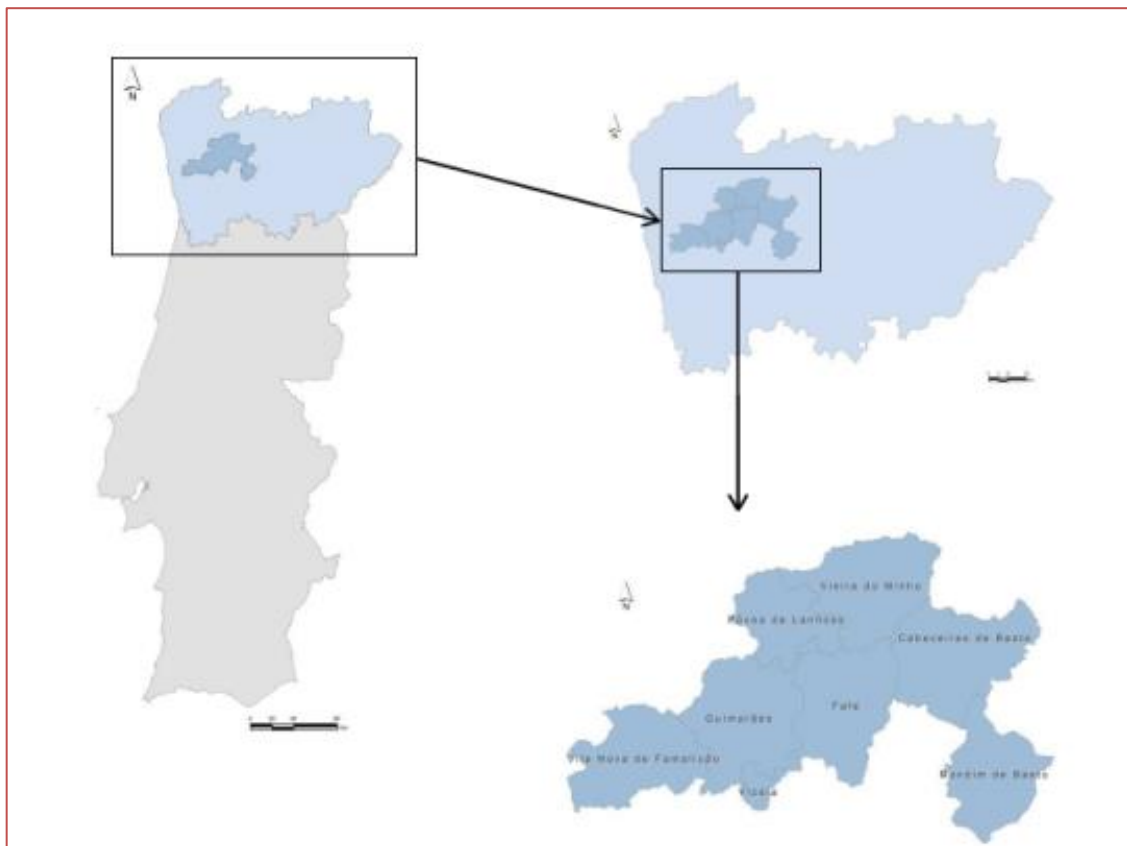
In the framework of the project, the partners will focus on the opportunities for the development of SMEs to produce goods and products for the retired population (from 62yrs onwards), especially for those living in peripheral and rural areas. In order to do so, as one of the first deliverable, each partner should develop a +-homogenous SWOT Analysis to fully understand the Strengths, Weaknesses, Opportunities and Threats of each participating territory/country, in relation to the implementation of Silver Economy linked measures. The present SWOT Analysis covers thus the area of the Comunidade Intermunicipal do Ave, in Portugal.

The Hincks Centre for Entrepreneurship Excellence of Cork Institute of Technology (CIT - Ireland) is the Workpackage leader for the SWOT research and also for the preparation of a composite overview of all the SWOT reports. This document is produced following the instructions, methodology and structure received by CIT.

1.1. Background

1.1.1. Territorial context

Ave Intermunicipal Community (CIM do Ave) is located in the Northern region of Portugal and covers an area of 1.541 km². This region integrates 8 municipalities. With a population of 415.671 inhabitants (year 2016), the territory has a population density of about 269 hab./Km² (year 2016), which places the region as the most populous territory in the North Region, just after Porto metropolitan area.



CIM AVE in the NUTS II North and in Continental Portugal

The territory of AVE is very heterogeneous and is characterized by a model structured in 3 socioeconomic realities:

- ✚ **Urban municipalities:** Guimarães, Vila Nova de Famalicão and Vizela are urban municipalities with a high population density.
- ✚ **Rural municipalities:** the opposite situation happens in Cabeceiras de Basto, Mondim de Basto and Vieira do Minho, which are markedly rural municipalities.
- ✚ **Transition municipalities:** Between these two areas, Fafe and Póvoa de Lanhoso represent the transition zone, occupying 24% of the territory of the Ave and representing 17% of its population.

This heterogeneity of the urban system that characterizes the territory of CIM do Ave can be read as an opportunity and affirmation of the territory for the potential of diversity that it represents.

The relevance of the proximity of the territory of the CIM of Ave to the territory of the Metropolitan Area of Porto is due to the fact that it allows easier access to various transport services, logistics and scientific and technological equipment. The touristic potential of the Metropolitan Area of Porto and the effective presence of a huge volume of tourist activity is also a factor that benefits the municipalities of CIM do Ave. In this way, these municipalities have benefited from complementary services and activities located in the Metropolitan Area, from the establishment of residents who also work in the Metropolitan Area of Porto and from numerous synergies derived from this interaction.

But the level of accessibility of the municipalities that form CIM do AVE is not homogeneous. If it is true that municipalities such as Fafe, Guimarães and Vila Nova de Famalicão are served by efficient and competitive means of communication, the remaining territories of the CIM of AVE do not benefit from these equipments, making difficult the access to and from the remaining municipalities. This set of municipalities (mainly rural) is conditioned to the use of national, municipal and rural roads.

1.1.2. Demographic context

According to the 2011 census, CIM do Ave has a resident population of about 425,000 people. Although it represents only 6.8% of the territory of the North Region and only 1.6% of Portuguese territory, Ave receives 11.5% of the northern population and 4.0% of the national population. It is therefore in relative terms a densely populated area: its 293 people per square kilometres far exceed the 173 registered in the North Region as a whole and it is about two and a half times the 115 people who correspond to the Portuguese average. Despite this high population density, Ave is characterized by a relatively dispersed

population: the percentage of the population living in places with more than 2,000 inhabitants is only 42.6%, far from the national and regional average of around 60%.

The population at Ave is considerably ageing, there are 93 people of 65 years old (or older) per 100 people under the age of 15, an indicator known as the "ageing index", which is 113 in the North Region and 128 in the country. And there are 21 people in that age group for every 100 between the ages of 15 and 64, being this "dependency ratio" of the elderly 25.2 in the North Region and 28.8 in Portugal.

Quadro 3.10 – População residente (2011)

	Ave	Região Norte	Portugal
População residente	425 411	3 689 682	10 562 178
% 0 aos 14 anos (H/M)	16,9% / 14,9%	16,1% / 14,2%	15,9% / 13,9%
% 15 aos 24 anos (H/M)	13,0% / 11,8%	12,2% / 10,9%	11,5% / 10,3%
% 25 aos 64 anos (H/M)	57,3% / 56,8%	56,7% / 55,8%	55,9% / 54,6%
% 65 ou mais anos (H/M)	12,8% / 16,6%	14,9% / 19,1%	16,7% / 21,2%
Idade média	39,6	41,0	41,8
Densidade populacional (hab. km ²)	293	173	115
% em lugares c/ mais de 2000 hab.	42,6%	60,4%	61,0%
% mulheres	51,7%	52,1%	52,2%
% estrangeiros	0,9%	1,2%	3,4%
% com dupla nacionalidade	1,3%	1,7%	2,3%

(Fonte: INE (Censos 2011))

1.1.3. Economic context

The industry is the main economic activity of Ave. In 2011, the 5.389 industrial companies with headquarters in Ave employed 70 236 people, generating a Gross Value Added (GVA) of 1 389 million Euros and a turnover of 4,950 million of Euros.

In the industrial structure of Ave, textile and clothing occupy a position of clear prominence; in the textile sector, Ave continues to be the main production center in Portugal, being also an important pole of clothing production. In 2011, 59% of the people working in the industrial companies based in Ave worked in the textile and clothing sectors, a figure that rises to 68%, when added to the leather industry (including footwear). Analyzing the structure of the industrial GVA of Ave, clothing occupies the third position, being surpassed by the textile and the manufacture of articles of rubber and plastic. It follows the footwear, food industries and the manufacture of metal products. The total of these six industries represent 80% of the companies, 84% of the personnel employed, 82% of the turnover and 83% of the GVA.

As mentioned before, since 2013 the 8 municipalities integrating Comunidade Intermunicipal do Ave signed an agreement where the support to entrepreneurship and employability reinforcement is established. This agreement originated a policy instrument that is operated under CIM Ave responsibility. The main objective of the policy instrument is to enhance the competitiveness of enterprises, and to strengthen the region competitiveness by promoting the investment in innovation, R&D and diversifying and strengthening SMEs, with the aim of increasing participation in the processes of growth and innovation. The region of Ave has dynamic business community in expansion, mainly composed by SMEs (in 2011: 63% and 26 SME by Km²). Nowadays, one of the main objectives of the municipalities in the region is to promote the economic and social development in order to improve the living quality of the population.





For Cim do Ave it is essential to support the economic exploitation of new ideas and foster the creation of new companies (mainly in Energy, Environment, Eco-industries, ICT and Social Innovation). It includes by means of business incubators, developed and applying new business models for SMEs, grant support to the creation and expansion of advanced product development capabilities and services, among others.

1.2. SWOT Study methodology

The Regional (Local) SWOT analysis was undertaken by means of desk studies and desk research supplemented by a series of highly qualitative focused interviews, based on a model provided by CIT and translated into Portuguese.

The significant benefit of structured interviews is that while they provide standardized data, they also guarantee a much more qualitative set of responses.

Interviews were carried out through call conferences. According to the common methodology, 20 interviews have been arranged and conducted in the Comunidade Intermunicipal do Ave, distributed as follows:

-  Regional SMES (5 interviews)
-  Research Institutions/ Development Agencies (5 interviews)
-  Social Partners (Social workers, NGOs, Foundations and elderly care groups (5 interviews)
-  Policy Makers (5 interviews)

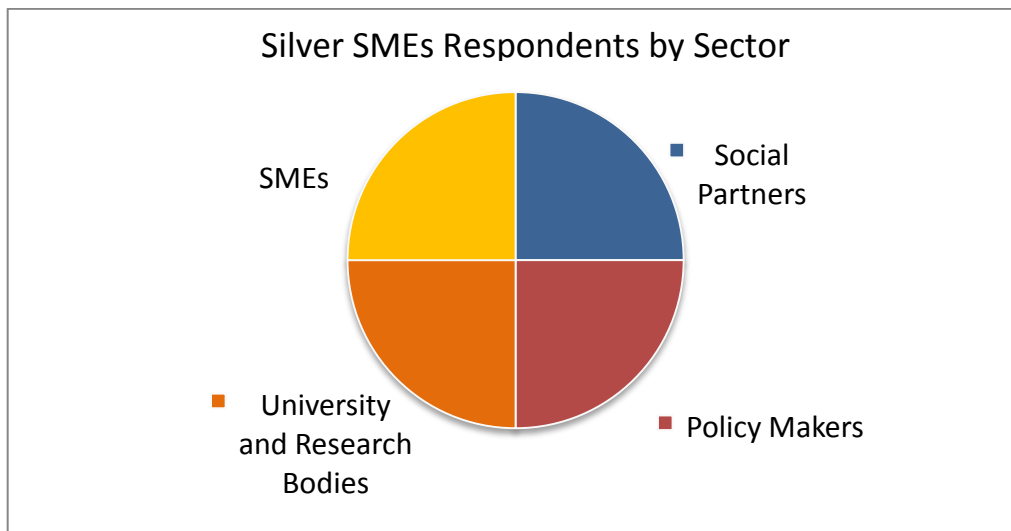
The interviewer uses an online dedicated analysis platform developed by CIT to upload the answers in English to a common platform. CIT generated ad hoc graphs (including different values depending on the importance values of answers).

On completion of entries on the platform, CIT has prepared a statistical report collection and analysis exercise, supplied to CIM do Ave.

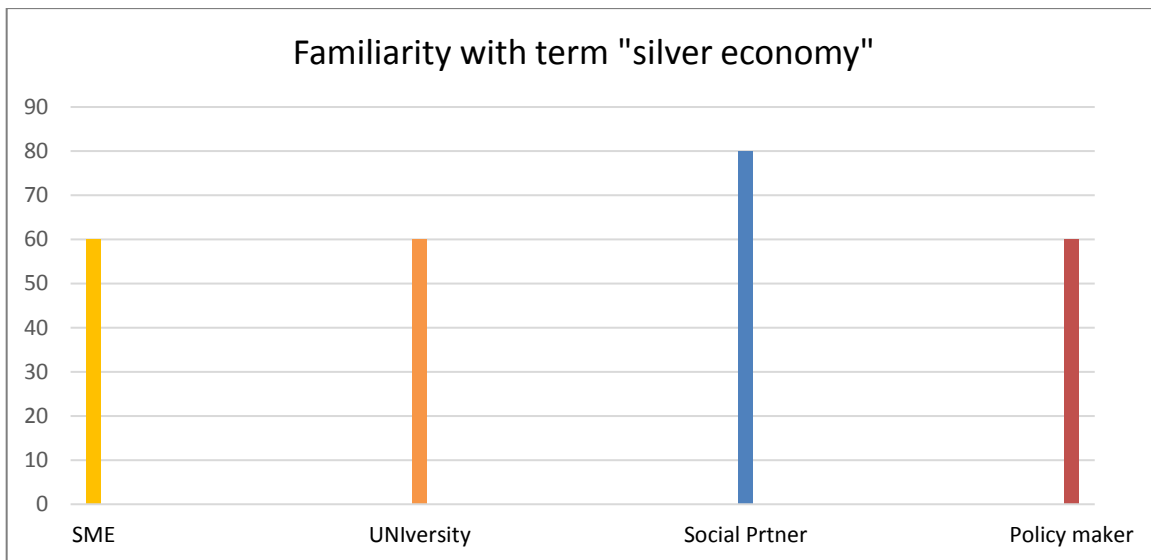
2. Findings of the study

2.1. Q1 - Sectors represented by the respondents

As stated in the methodology and as shown in the graphic below, individuals from 4 different sectors participated in our study: 25% of the participants come from the SMEs sector, 25% from University and Research Bodies (university, research institution or a development agency), 25% are social partners (such as members of the general public, elderly care groups, press or other societal actors) and 25% represent a policy making institution (such as local or regional council, health authority, government department etc.).

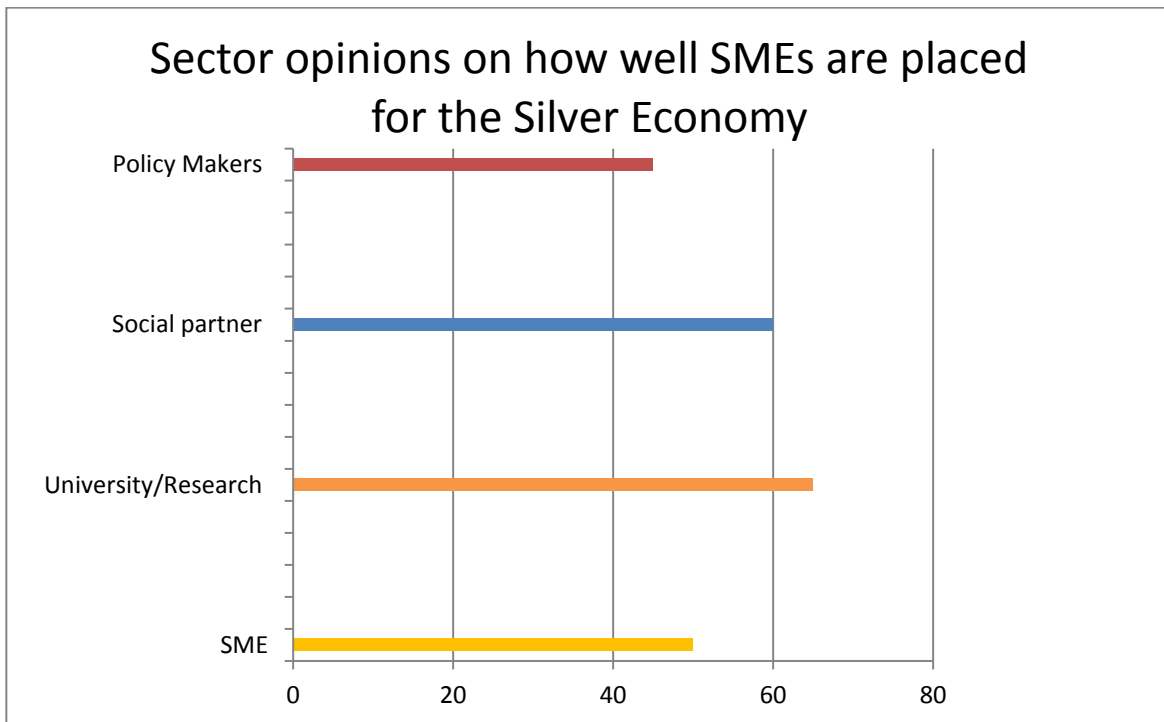


2.2. Q2 – Familiarity with the term "Silver Economy"



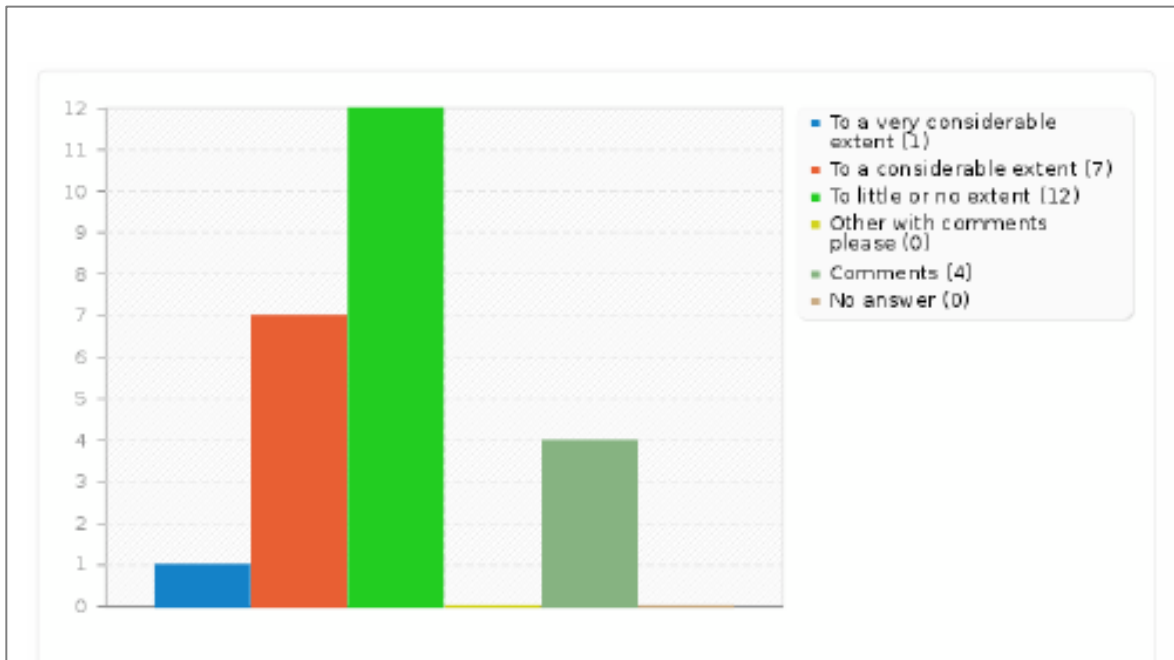
Here the survey' outputs show the levels of familiarity between the different sectors of the quadruple helix with the term Silver Economy. As shown in the graph above, Social Partners are more aware than Policy Makers, SMEs or University representatives, since the services targeting older adults are mostly carried out by NGOs, associations or Social Services.

2.3. Q4 - SMEs are well placed to develop new products and services targeted at the Silver Economy?



As seen in the graph above and according to the respondents, the region of CIM do Ave has a medium potential to develop new products and services targeted at the Silver Economy. In fact, several respondents agreed on the fact that there is a lack of information/awareness on Silver Economy in the region, which may lead to a lack of preparation of the SMEs to enter the market. In Cim do Ave, the Silver Economy is not yet seen as clear opportunity. Although there are already companies interested on the topic, there is still a long way to go in this sense.

2.4. Q5 - To what extent do older adults in your region benefit from innovative products and services



The majority of the respondents agree that older adults do not generally benefit from innovative products and services. In fact, 60% of the interviewees affirm that older adults in Ave benefit to little or no extent from innovative products and services. Interviewees believe that it will be necessary to expand this type of economy in order to ensure the needs of the elderly population in the region, which will indirectly promote employment and development other (and more “active”) age groups.

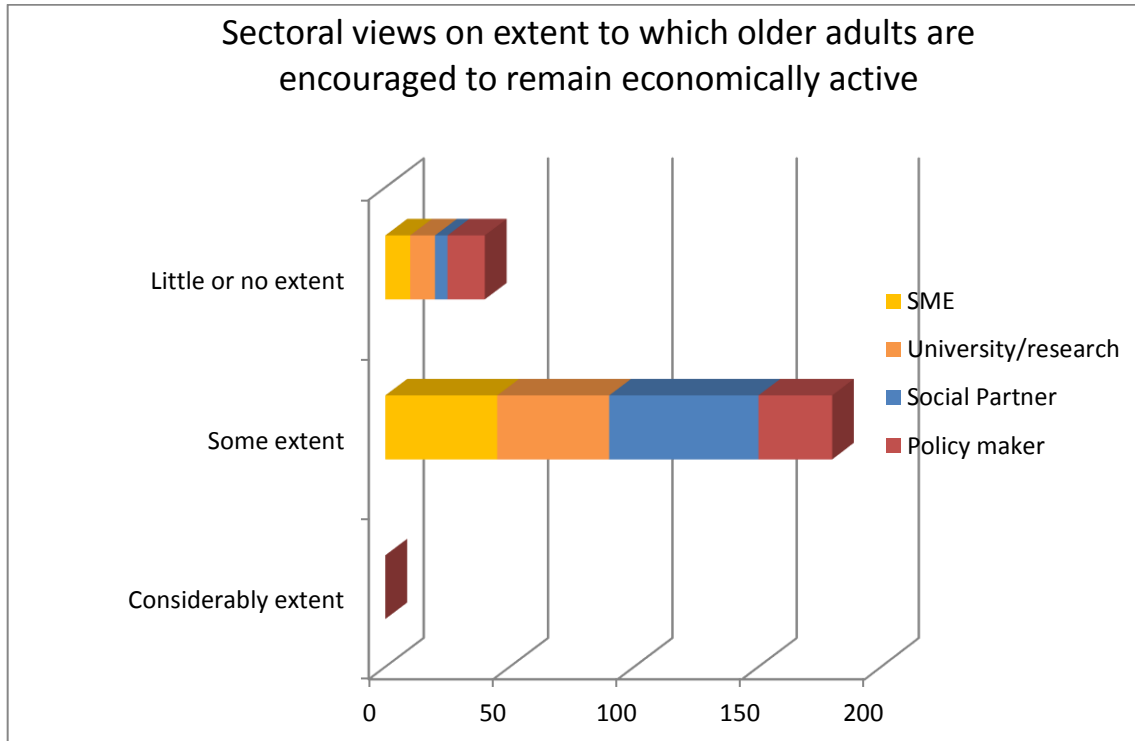
2.5. Q6 - To what extent do older adults in your region encouraged or facilitated to remain as active economic actors

The Portuguese respondents agree on the fact that the elderly population do not receive support to become active economic actors. In fact, 40% of the respondents affirm that older adults are encouraged “to little or no extent” to remain as active economic actors, while 60% of the respondents say that only to “some extent”. One of the reasons given by the respondents is that there is a long tradition that supports the acritical opinion that “old people should stay at home”.

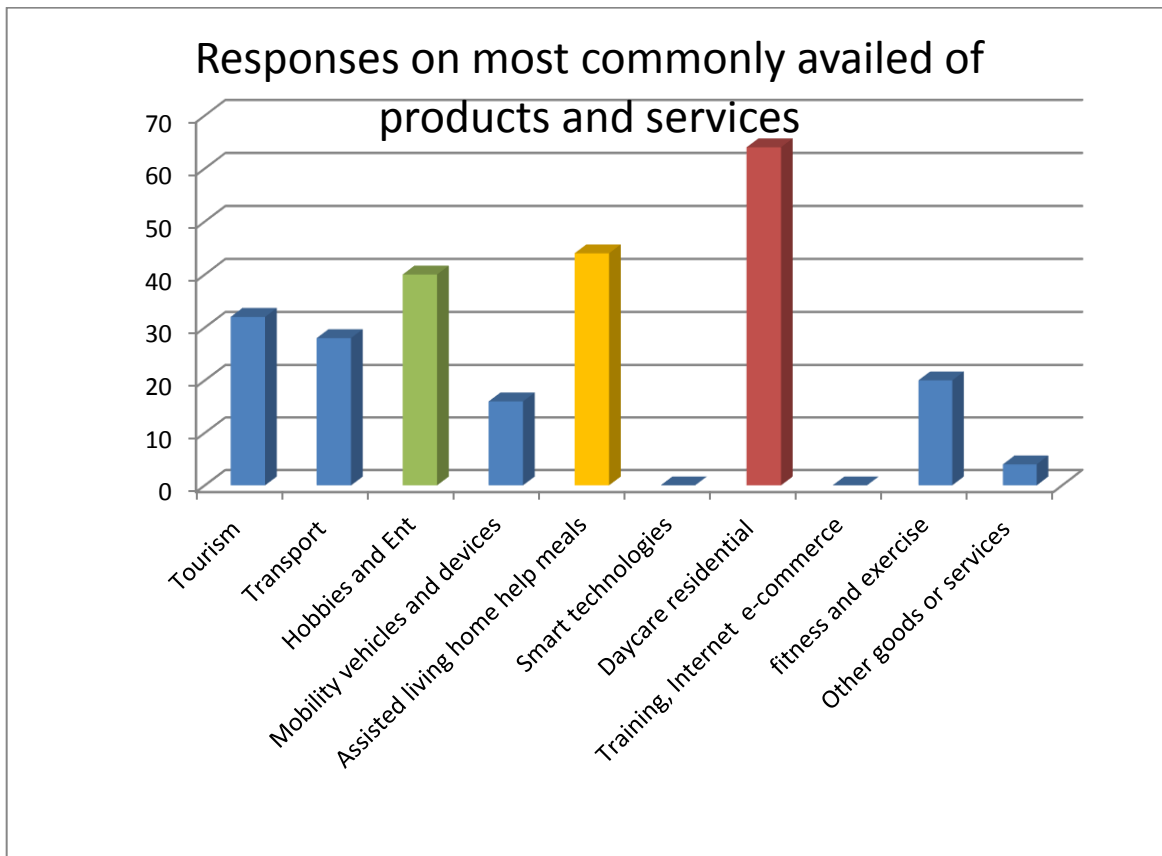
Also, respondents agree on the fact that, in view of the increase in the ageing rate in recent years, this encouragement should increase in quantity and quality, given that the large number of older adults in the region.

All the respondents (see graph below) believe that there is a huge potential for

improvement in this matter, since they all agreed that the encouragement for older adults in the region is almost inexistent.



2.6. Q7 - Types of services most commonly availed of by older adults in the region



According to the survey, the services most commonly used by the elderly in Ave are mainly daycare and residential services, assisted living services and hobbies and entertainment. Based on the answers given by the respondents, third sector institutions (NGOs, Associations, etc.) play a crucial role in the supply of these services.

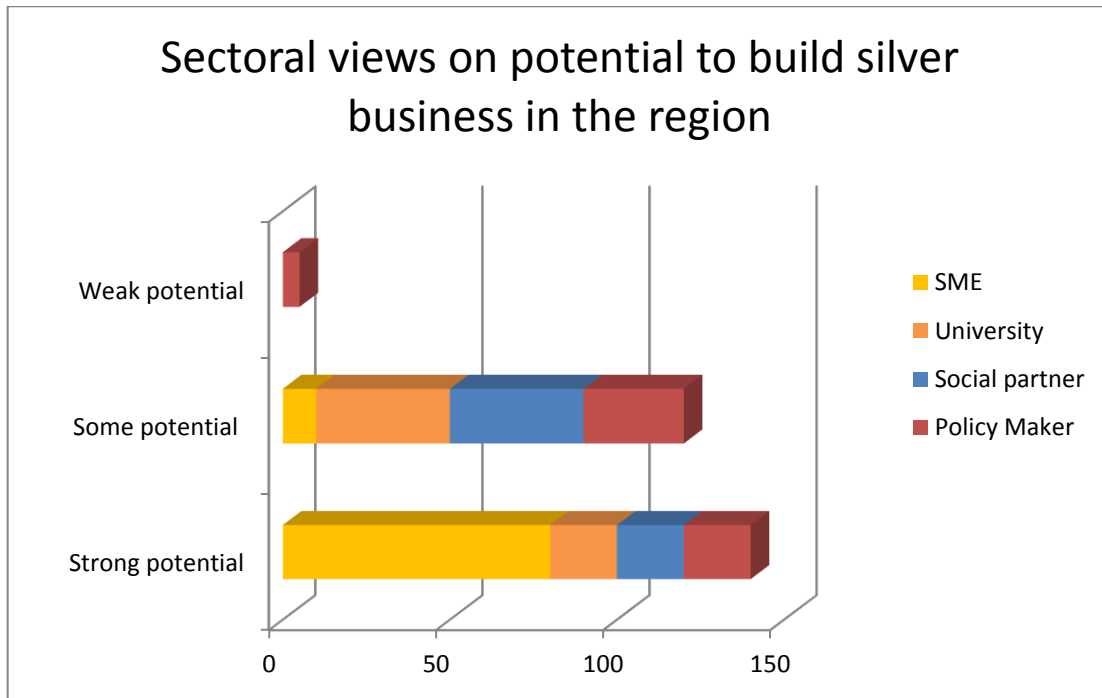
One interesting fact to take into account is that some of the respondents agree that, based on the needs of older adults, there is a huge need to promote more training actions, not for the older adults, but for caregivers.

2.7. Q8 - Can enterprises participate in local familiarization/ training courses related to the growing opportunities in the Silver Economy?

Regarding the training on Silver Economy for SMEs Cim do Ave, **70% of the interviewees** do not know if SMEs in the region would be interested in receive training in order to understand the growing opportunities of the Silver Economy. 20% of the respondents think that the training could be possible, and that it is a need in order to change the current

economic model of the territory (improving the knowledge of the private sector on Silver Economy would open a new niche of employment).

2.8. Q9 – Ranking of the potential for SMEs in the region to develop new Silver Economy business opportunities.



60% of the respondents believe that SMEs in the region have some potential to develop new Silver Economy business opportunities and 35% of the respondents agree on the strong potential of the region to build silver business. Then, 95% of the interviewees believe that CIM do Ave has the resources needed to develop a Silver market in the region, taking into account the growing perspectives of this sector.

The ageing population in Ave is growing, which offers great possibilities to develop new Silver Economy opportunities. The Silver Economy is closely linked to current trends in demographics and can lead to the opening of new areas for economic growth and employment.

2.9. Q10 - Local training courses for older adults to secure new occupational skills

According to the respondents, State institutions are concerned to ensure adequate and effective care for the most vulnerable groups. However, there should be more attention to the physical, social, psychological and financial needs of the elderly population, in order to guarantee well-being to all the population. They also agree on the fact that it is important and crucial to have a change of mentalities in order to provide an active life for the elderly.

The existing mechanisms of support and occupation for the elderly are:

- ✚ Young volunteer services and welfare services for the elderly;
- ✚ Home support services;
- ✚ Leisure and exercise activities in cities.

2.10. Q11 - Are you aware of anything in the Silver SME sector which might be considered a good practice?

Some of the respondents were able to identify Best Practices, namely:

- **KAPVISION** - Focused on the well-being for all the population, KapVision Portugal answers to a social demand in Portugal. Their mission: take care of the elderly for healthy ageing at home and take care of people with sensitive pathologies. The priority of KapVision Portugal is to allow the elderly to live independently at home with the possibility to continue doing activities and having multiple services at their disposal. These services are provided on a temporary or permanent basis, according to the needs of each person.
- **Centro Colibri** - They are dedicated to the development of specialized and personalized services tailored to the needs of the elderly or adults with pathologies, with the aim of providing greater functionality, autonomy and quality of life. They have as their mission the promotion of healthy and active ageing and the participation of the elderly in the community.
- **Município de Vila Nova de Famalicão. Project "With Physical Exercise: More and Better Years"** – This project encompasses the realization of leisure and sports activities, such as gymnastics, water aerobics, hydrotherapy and dance. Its objectives and activities comprise:
 - Deepening of the cooperation with the Association of the Elderly Famalicão, entity promoting the Senior University of Famalicão, in the dynamization of educational activities for the elderly.

- Organization of awareness-raising and training activities on topics of interest to the elderly (senior carnival, hiking, picnic, convoy tour, Christmas parade, allocation of tickets for trips to the beach, etc.).
- **Fermenta da Susana António, Social design project** - its mission is to foster the knowledge of older people in creating objects and materials for sale. It has the support of designers, which ensures the beauty and the interest of these pieces.

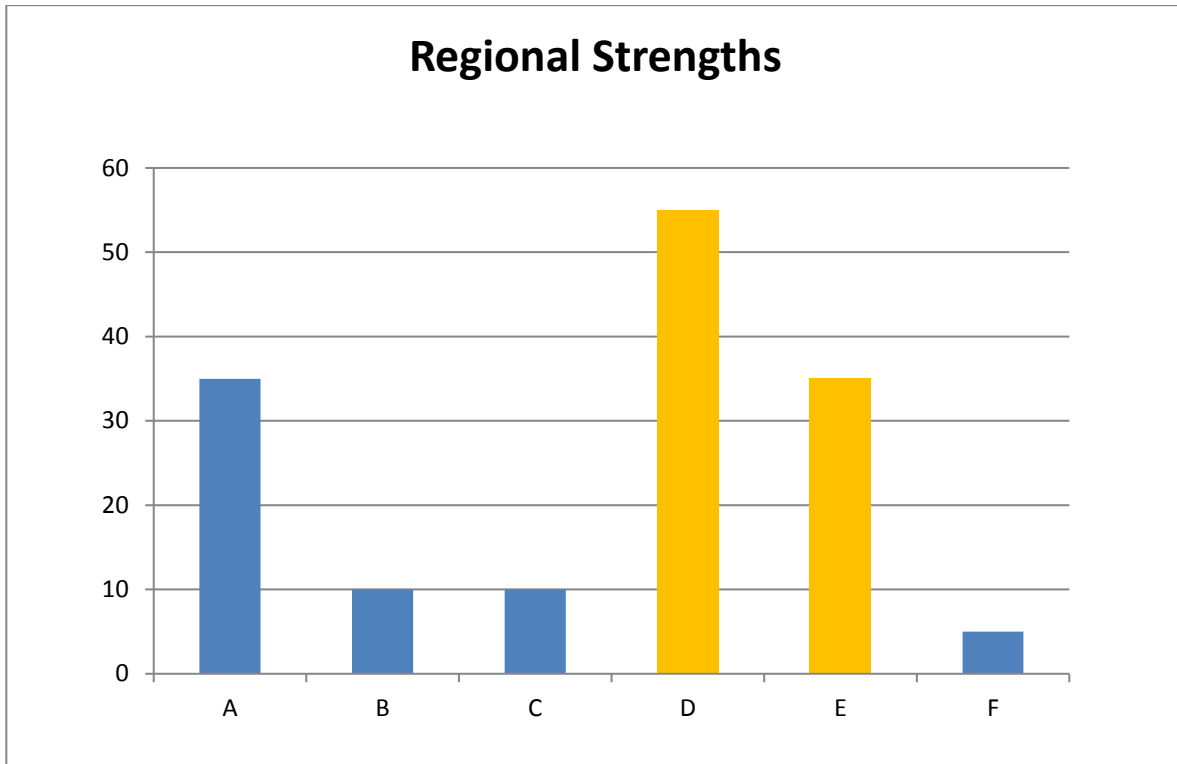
2.11. Q12 - Does the region have Policy Instruments (programmes) specifically focussed on the Silver Economy?

Only a few respondents were able to identify a Policy Instrument focused specifically on Silver Economy, which reflects the lack of information regarding the opportunities of this sector in the region.

- **INATEL 55+ PT.** The INATEL 55 + .pt Program is orientated to senior citizens with 55 years of age or more at risk of social exclusion or with low incomes, and offers accommodation programs and diversified leisure activities, including innovative training programs in the areas of citizenship, healthy eating and health prevention, with a view to socio-cultural integration of the beneficiaries of the program, with a view to equal opportunities and promotion of leisure for all, as well as the economic and social development of the territories concerned.
- **The Ave Social Development Plan (PDS-Ave)** presents four priority intervention areas for the territory: i) Ageing; ii) Disability; iii) Children and young people at risk; and iv) Employment and qualification. In each of these areas a set of intervention priorities is presented, that result from the identification of various priority issues and to which a series of intervention strategies are associated.

In addition, a set of interventions is associated with each of the priorities. In terms of Ageing, the following intervention priorities are identified: i) Active and healthy ageing; (ii) Integration of social and health responses; and, iii) Qualification of the response and equipment network; and the following interventions: (i) the Academy of Major Knowledge; ii) Supramunicipal volunteer bank; iii) Supramunicipal network of homes for neurodegenerative diseases; and iv) Mission structure for the certification of responses for the elderly.

2.12. Strengths

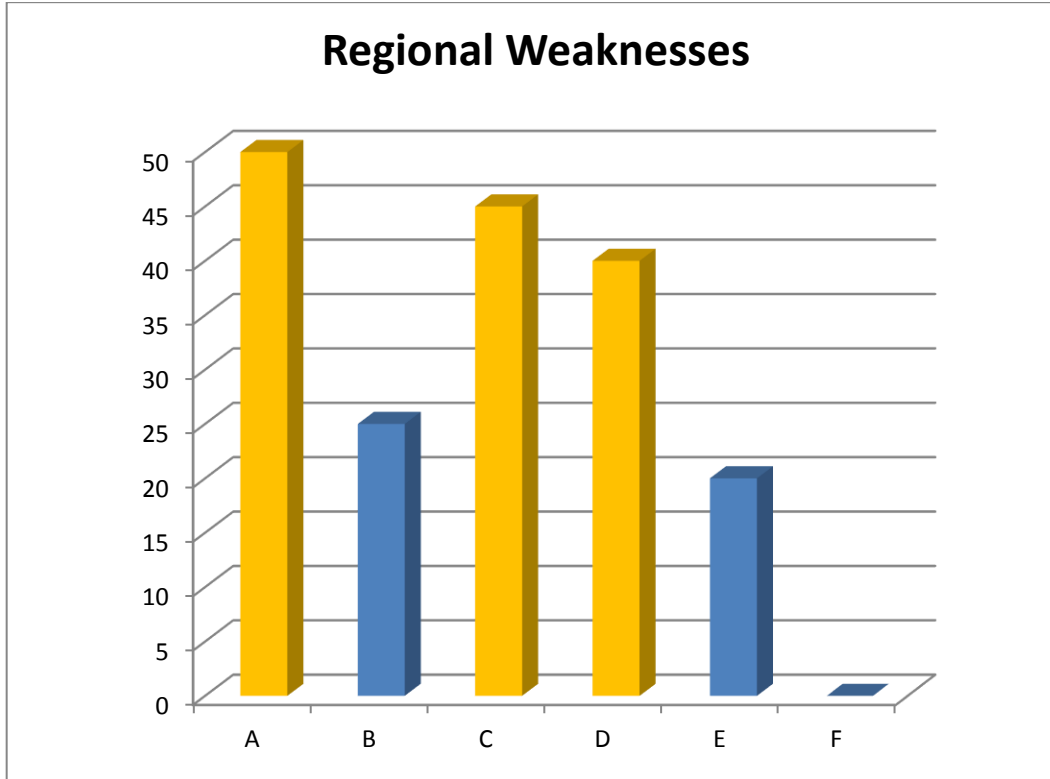


Categories						
a	Strong Research and development presence					
b	Suitable cohort of SMEs to develop physical products and services					
c	Suitable cohort of SMEs to develop online and digital products and services specifically for an aging population					
d	Positive environment and policy provision for active aging					
e	Positive encouragement for older adults to remain economically active (buying/selling/goods/services)					
f	Other please see comments					

Based on the graph above we can affirm that most of the respondents confirm that, in the region, there is a positive environment and policy provision for active ageing and a positive encouragement for older adults to remain economically active. As seen in the previous question, the Ave Social Development plan aims at managing adequately the problems of ageing and dependence on the elderly and proposes a set of interventions such as:

- Mapping, characterizing and monitoring population ageing and associated problems.
- **Promoting active and healthy ageing** through volunteering and senior participation.
- **Promoting autonomy** and reducing levels of dependence on the elderly.
- Improving the integration of social and health responses.

2.13. Weaknesses

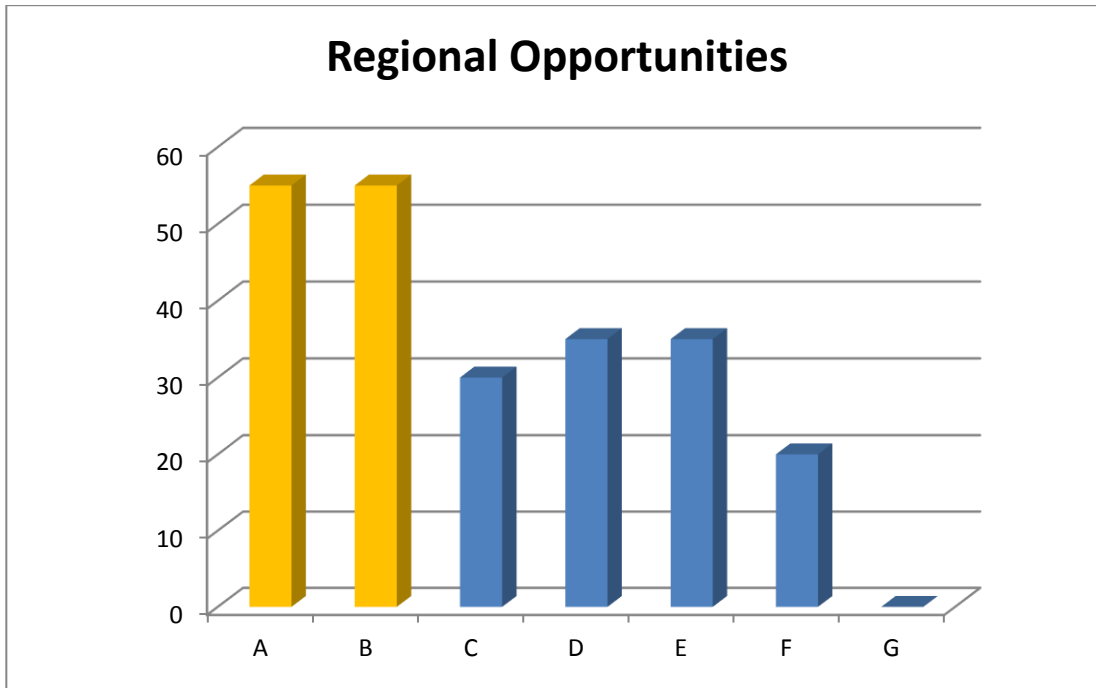


Categories						
a	Apart from healthcare there is little or no focus on the economic aspects of older adults					
b	There are few educational initiatives directed at older adults					
c	Older adults are not recognised as a potential economic asset					
d	SMEs are not generally focusing on the growing silver economy					
e	Research institutions are not generally focussing on the silver economy					
f	Older adults are not generally interested in contributing to or participating in the economy					

Most of the given categories were seen, by the respondents, as regional weaknesses, except for the lack of interest of older adults in contributing in the economy. Based on the kind of weaknesses provided by CIT, 43% of the interviewees agreed on the fact that SMEs are not generally focusing on the Silver Economy, and 47% believes that older adults are not recognised as potential economic assets.

An effort should be made in raising awareness among the SMEs in order to recognise the potential economic assets of older adults or the Silver Economy. The data also reflects the lack of services provided to the elderly in the region since 52% of the respondents believe that apart from Health Care, there is little or no policy focus on the economic aspects of older adults.

2.14. Opportunities



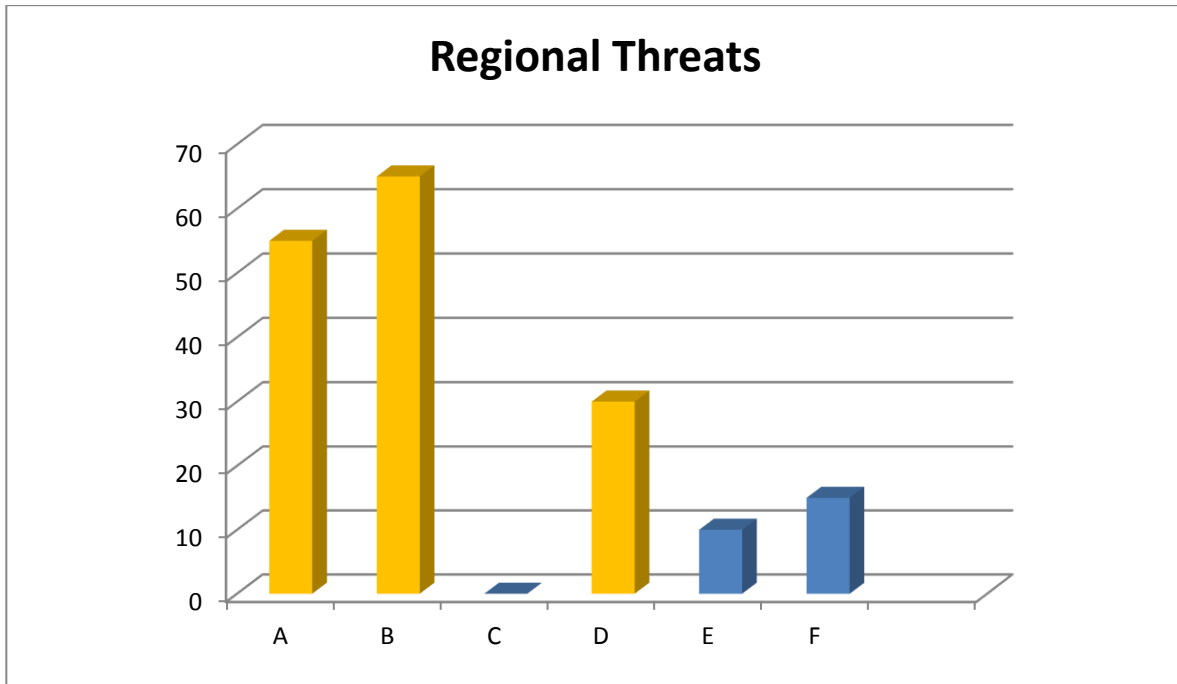
Categories						
a	Introduction of more proactive policies for Silver participation in the economy					
b	Familiarization for SMEs on the nature and size of the Silver market					
c	Developing a heightened research focus on the silver economy					
d	Greater involvement for older adults in leadership roles on active aging					
e	Increased focus on education and training for the whole population as they approach older age					
f	Enhance mobility for older adults through more public transport					
g	Other please comment					

All the given categories were seen as opportunities by the respondents of the questionnaire, making special emphasis in the Introduction of more proactive policies for Silver participation in the economy (58% of the respondents agreed) and Familiarization for SMEs on the nature and size of the Silver market (57% of the respondents agreed).

On one hand, SMEs are suffering a "marketing myopia", as they do not perceive this market as a business opportunity. Actually, there is a need to support the capacity building of the SMEs to unlock the potential of the Silver Economy in the region.

Finally, an effort should be made to improve the introduction of more proactive policies. Even if there are already some policy instruments trying to set out actions to deal with ageing, there is a need to create policy instruments and action plans to develop the silver economy, which would help to improve the social development of the whole region.

2.15. Threats



Categories			
a	Unsustainable dependency ratios		
b	Failure to cope with health demands		
c	Increased imports of products and services		
d	Insufficient numbers in workforce		
e	Potential Industry closures		
f	Other with comments		

The major threat identified by the interviewees was the unsustainable dependency ratios (58% of the respondents agreed). Important demographic changes in recent years may have long-run economic consequences. As a result, such changes have started to play a more important role in the design of economic policies. In fact, continued increases in longevity will ensure that the old-age dependency ratio, which measures the number of elderly people as a share of those of working age, will rise sharply in most countries over the next 40 years, according to the European Commission (according to the OECD, it will more than double by 2075). The evolution of this variable and its components is important because the young and old are likely to be more economically dependent on the rest of the population and changes in age composition may affect other areas of the economy.

Another major threat identified by the respondents is the insufficient numbers in workforce caused by the ageing population (42% agreed). A rapidly ageing population means there are fewer working-age people in the economy. This leads to a supply shortage of qualified

workers, making it more difficult for businesses to fill in-demand roles. An economy that cannot fill in-demand occupations faces adverse consequences, including declining productivity, higher labour costs, delayed business expansion and reduced international competitiveness.

Additionally, respondents also agree on the fact that the demographic changes will lead to a failure to cope with health demands. Given that demand for health care rises with age, the government must allocate more money and resources to its health care system. With health care spending as a share of gross domestic product (GDP) already high, it is difficult to increase spending while ensuring care improves and other social.

Finally, the health care sector faces similar issues, including labour and skills shortages, increased demand for home care and the need to invest in new technologies. All of these cost escalators make it more difficult for the existing systems to handle the needs of the growing senior population.

3. Conclusions

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> - Encouragement for older adults to remain active - Great offer of residential services for the older population - Presence of companies of considerable size - Social and political concern about dependency issues - Good willingness to mobilize volunteer programs that increase senior participation - High rate of coverage of home support services for the elderly - Progress in articulating the network of support responses for the elderly - Strong awareness of the need to foster social innovation and social entrepreneurship 	<ul style="list-style-type: none"> - Awareness campaigns on the opportunities offered by the Silver market - Introduction of more proactive policies for Silver participation in the economy - Creation of new innovation services (ICT tools etc.) - Private and public support to active ageing initiatives - New companies to meet the needs of an emerging niche market/sector
WEAKNESSES	THREATS
<ul style="list-style-type: none"> - Marketing myopia suffered by the SMEs in the region regarding the opportunities of the Silver Economy - Older adults are not recognised as an active economic asset - Lack of articulation between social and health responses - mental health, disability and the elderly - Poor focus from SMEs on the growing opportunities of the Silver market 	<ul style="list-style-type: none"> - Clear ageing population - Unsustainable dependency ratios - Failure to cope with health demands - Lack of young population - Outdated culture which considers retired people unlinked to economic activities (passive population). - Insufficient numbers in workforce due to demographic changes (reduction of the active population due to population ageing)

* * *