

WRITTEN QUESTION P-5202/08  
by Elisa Ferreira (PSE)  
to the Commission

Subject: MU@10 report on the economic situation of the Portuguese regions

In drawing up the balance sheet for the ten years in which the Economic and Monetary Union has been in operation, the Commission concludes its MU@10 report by noting the different development patterns in Europe's regions – and not only the 'cohesion' regions – and observing that *'The twenty years from 1989 to 2008 have been marked by strong divergences in potential growth both between the four cohesion countries and over time'* (p. 108) – but also between the new Member States where convergence *'is (...) taking place at different speeds'*. This growing disparity reveals that the Cohesion Policy is more necessary than ever.

The extent to which the development of the North Portugal region diverges from that of the neighbouring region of Galicia, although both displayed similar levels of economic well-being at the time the single currency was first adopted, is specifically instanced and analysed (cf. p. 112-115); with regard to Portugal, the Commission observes that *'the specialisation pattern (...), largely based on low-skill intensive industries (which) had to undergo significant restructuring following the integration of large low wage countries in the world trade system ... The North of Portugal has been clearly the worst performing region of the country ... the magnitude of such (unavoidable) adjustment process has been unparalleled in Spain.'* (p. 115).

This important report concludes that today, the convergence process is heavily conditioned by common policies (foreign trade policy, competition policy, etc.), of particular relevance to monetary policy (including the Euro exchange rate) – whose regional impact is asymmetrical and hampering or even preventing the restructuring of certain regions' industrial bases. It is up to regional policy to deal with the difficult task of launching and stimulating compensatory policies which will enhance the conditions for sustained, harmonious growth in the various different regional areas.

1. Does the Commission think that the available corrective instruments at Community level are appropriate and adequate to the task of reversing or restraining the divergences which have taken root, particularly with regard to a balanced sharing-out of the benefits expected from the Lisbon Strategy?
2. The North of Portugal region (the country's largest in demographic terms), with a remarkable past history of economic dynamism and competitiveness, is currently in a state of stagnation sufficiently worrying to merit specific mention in the Commission's MU@10 report. Does this region merit attention on the Commission's part to ensure that, within the way cooperation with Portugal is structured, and bearing in mind the goals and resources of the current National Strategic Reference Framework, the requisite conditions for re-launching the region's traditional competitiveness can be restored during the current programming period?