

'Portugal: a poorly developed, poverty-stricken country is joining the European Community' from Le Soir (11 June 1985)


Caption: On 11 June 1985, commenting on the signing, the following day in Lisbon, of the Accession Treaty of Portugal to the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom), the Belgian newspaper Le Soir paints a negative picture of the country's economic situation.

Source: Le Soir. 11.06.1985, n° 134, 99e année. Bruxelles. "Portugal: c'est un pays mal développé et frappé de misère qui adhère à la Communauté européenne", auteur: Vaes, Bénédicte, p. 19.

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Portugal: a poorly developed, poverty-stricken country is joining the European Community

From our special correspondent

Lisbon, 10 June

On the eve of the signing of the Treaty of Accession to the Community — Wednesday — Portugal is living in a fairytale world. Europe is presented as the good fairy who, with a wave of her magic wand, will pull the country out of its slump and drive it along the royal road to modernism, according to some speakers, Socialists for the most part. For the Communists, the EEC is, on the contrary, the worst way to demolish what was gained during the Carnation Revolution: according to a Communist Party economist, 'Accession has come at the worst time, when the country, far from being geared up for modernisation, is torn between two powers.' The strong-arm right is also opposed to the move towards the EEC, in the name of national pride. As chance would have it, an exhibit has just opened in Oporto on the theme 'The Portuguese and the World', exalting the universality of the Lusitanian destiny. The Bishop of Braga, Enrico Nogueira, speaks of cultural genocide for a country which will become the poor relation of Europe, a pool of cheap labour and a dumping ground for hazardous industries.

Who is right? Who is wrong? The statements are polarised, if not caricatured. One thing is certain: accession negotiations took place without a genuine public debate ever having been organised. Accordingly, in Portugal, the Community is now more a matter of religious dogma than a democratic reality, which would be adjusted in accordance with the political and economic powers at work in the country itself.

Twelve years after the Revolution of 25 April, ten years after the return to free elections, Lisbon has fallen on hard times. Beneath the windows of the grand hotels, old women and raw-boned adolescents pick through rubbish bins for food. The walls tirelessly repeat the same graffiti: 'Out with the government of hunger and poverty, out with Soares.'

The Lisbon International Fair, currently devoted to the regions of Portugal, is exhibiting, in addition to wine and cheese, products that are more like third-world handicrafts than industrial goods. When one of the two employers' associations (the one in favour of the EEC) hosted a dinner for the international press, a strange scene ensued. A group of musicians hired to provide the evening entertainment, young and old men dressed in black with hats pulled down low over their eyes, played their instruments without the hint of a smile, poverty etched into their features: a gap between two different worlds that makes one feel terribly ill at ease.

Under-developing

What will this country, which is poorer than Greece, do in the European family? The future looks bleak, with 30 % inflation in 1989, at least 20 % this year, salaries cut by 15 % in two years, and foreign debt representing 70 % of GDP. Agriculture and fisheries, which employ 22 % of the population, are not enough to feed the country, and industry specialises in sectors that are currently in crisis: shipyards, refineries, footwear and textiles.

Finally, Europe is taking on board a country where the government coalition will come apart right after the Treaty has been signed. The Social Democratic Party, hitherto linked to Mario Soares' Socialist Party, is witnessing the triumph of Cavaco Silva's conservative approach. He does not want to carry the can for the negative effects of accession.

Portugal's grim situation has, nevertheless, led left-wing economists who are not Socialist Party members to conclude that the European challenge is absolutely necessary to shake up Portugal's hapless economy. That is the case of Eduardo Ferro Rodrigues, for example, a member of the industrial economy basic study group. Mr Rodrigues, who led the Socialist Left Movement (the self-governed MES, now dissolved), has now joined Portugal's 'new Left'.

‘Nothing else’

‘Of course,’ he explains, ‘accession will cause a violent shock, but unemployment (11 %) already exists, and making investment impossible is not the way to fight it. The situation could not get any worse for some small- and medium-sized companies or for farms which will have to change or disappear regardless. The country’s entire economy has to be redirected.’

The industrial study group outlined the five major avenues along which Portugal should restructure. ‘First of all,’ explains Eduardo Ferro Rodrigues, ‘we need to reduce our food dependency, which is currently 50 %. Secondly, we must absolutely reduce our energy dependency (currently 80 %).

The third imperative is to develop at all costs our production of capital goods. Finally, we must also modernise the traditional export sectors. It would be absurd to use EEC funds to give oxygen to a textile sector (which accounts for 30 % of exports), which would merely continue to take advantage of low wages and would not invest in new production techniques. We also need to take advantage of our geographical location to create a new international services sector: such as port services and developing software for Portuguese-speaking countries like Brazil.’

These economists feel that Portugal must produce more and better, by means of EEC aid, capital and ‘know-how’, otherwise debt reduction by the implementation of draconian austerity measures will plunge the country even deeper into under-development. That philosophy is shared by Raquel Ferrera, Junior Minister for Foreign Trade, who says that ‘Accession to the EEC is the best solution. Because there is no other one.’

Bénédicte Vaes