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## 41st CONGRESS OF THE EUROPEAN REGIONAL SCIENCE ASSOCIATION

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# THE EVOLUTION OF THE SPANISH-PORTUGUESE BORDER AND THE PROCESS OF EUROPEAN INTEGRATION

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#### **Summary**

Within the borders of Europe, the *raia* (literally: *line*) between Spain and Portugal is quite singular. This, among other reasons, is due to its long history as a limit between two States and to its permanent absence in the main processes of modernization and development. Despite this, and for the border regions, the entrance of Portugal and Spain into the European Community did allow the establishment of the essential conditions for the formation of a new model of relations and development. The expectations generated in the border regions relating to this new model -symbolized in particular by the INTERREG initiative, in overcoming the chronic problems of socio-economic articulation and development will not materialise as expected if convergence processes at regional level are taken into account. Despite the positive interventions, these regions continue to lag far behind more dynamic areas with a higher living standard on the Iberian Peninsula, such that the asymmetries and inequalities between the coastal areas and the interior of the peninsula are still especially manifest in the Spanish-Portuguese border areas.

### 1. INTRODUCTION

The Spanish-Portuguese border is of singular interest within the European context. The dictatorships of Salazar and Franco were characterised by an iron-fisted control that contributed strongly to the hermetic nature of the border and the disarticulation of the trans-border territories. The advent of Democracy in the two Iberian countries was accompanied by a more flexible understanding of the previous model that, through a reduction and *relaxing* of control, allowed the border to become relatively "permeable". The simultaneous adhesion of Spain and Portugal into the European Community heralded the arrival of a new, more open model of relations, with new perspectives for regional development that

would progressively help to extinguish the pernicious consequences of many decades of strong *impermeabilisation* of the border and the marginalisation of these regions.

Despite the foregoing, the improvements seen over the past few years, the evolution of the Spanish-Portuguese border regions and of the actual process of integration itself at this level started out with certain problems. Thus, the development of border regions (in comparison with the national means) was not even in general what was being sought and neither was the process of economic integration at trans-border level convergent to the same degree with the integration of the two Iberian economies.

In this sense, in this paper we shall attempt first to give an account of the background and *scenario* prevailing in the border regions at the time Spain and Portugal joined the Community as well as of the major features of this new model of relations and development. Later on, we shall try to explore how the border regions managed to assimilate this new model and the main territorial impacts of the actual process of European integration, then going on to offer some of what we consider to be the main impediments to trans-border integration in the case of Spain and Portugal.

# 2. THE ENTRY INTO THE EUROPEAN COMMUNITY AND THE NEW MODEL OF RELATIONS AND DEVELOPMENT.

As is usual in the case of most *contemporary* borders, the dynamics and the forms of relations at the Spanish-Portuguese border along the twentieth century have been intrinsically determined by the relationship between the two States; that is, between the respective leaders or governments. For this period, the eminently border-related issues played a relatively small role in the *climate* of the understanding between Portugal and Spain, this was being governed by other types of factors; mainly the existence (or not) of *consensus* between the two existing political systems or the fitting of each country into the international scene. During this period, the relations between these two countries can be appropriately described as follows: "Portugal and Spain are like a family household based only on appearances, since they sleep in different beds" (PINTADO and BARRENECHEA, 1974: 212). In this sense, if one excepts the strategic domain of water resources, cross-border issues have been completely marginalized during the last century, both in the internal context and within the context of bilateral relations between the two states.

Equally marginal (or marginalized) were the corresponding border regions, divorced from the processes and benefits of industrial development and urban growth which were at the time emerging in certain areas of the Iberian Peninsula better endowed with the human resources available to drive such processes. To understand the evolution of these areas, it is crucial to take into account the considerable progress in territorial organisation and industrial and urban development of the fifties and sixties, which in the case of Portugal and Spain gave preference to coastal areas as compared with the marginalisation of interior regions.

In sum, although both sides of the border were strongly unconsolidated, they were indeed subject to similar socio-economic processes that gradually imposed and assembled a cycle of "peripheralisation"

and underdevelopment (comparatively the most dynamic areas) that led them to being known as the "Frontier of Underdevelopment" in the middle of the sixties (PINTADO and BARRENECHEA, 1974).

The consolidation of two democratic systems in both countries and the process of adhesion to the EC finally contributed to a situation in which –progressively- a new system of (mutual) understanding was established. This was formally recorded in the new "Spanish-Portuguese Treaty of Friendship and Cooperation" in May 1978 (it replaced the so-called Pacto Ibérico, in existence since 1939) and the spirit of this has gradually been enhanced by several summit's, among others, between the two countries (starting in 1983). This new scenario of relations between Spain and Portugal was accompanied by a relative permissiveness in the control and policing of the border, an attitude that was slowly assimilated by the governments themselves of the two countries; a prime example of this was the agreement stating that it was not a formal requisite to produce a passport when crossing the border between the two countries (April, 1977).

Nevertheless, this new spirit of understanding failed to involve any substantial changes as regards the situation prevailing in the border regions, in particular as regards promoting integration and articulating the territories and their citizens. Regarding such articulation, as an example one sees that in 1986 –the year when both countries joined the EC, there were only 19 permanent border posts. Among these, only 8 allowed the passage of merchandise and only three were open 24 hours a day. Moreover, "some of the border posts, on the Portuguese side, allowed the passage of merchandise but this was not reciprocated on the Spanish side, which virtually prohibited the export-import of such goods" (GEPAT, 1987: 2). Bearing in mind that the Spanish-Portuguese border has an extension of approximately 1200 Km, we feel that these data offer a fairly lucid account of the degree of territorial and institutional articulation that really existed between the two countries at the time of their joining the EC.

#### The Spanish-Portuguese Border Regions in the Mid-eighties.

In the mid-eighties the Spanish-Portuguese border regions began to draw closer to the EC, although their starting point had a very poor level of development. More than anything else they had been marked by a devastating emigration, (which had occurred in the previous two decades), a very low birth rate, an aging population and a very reduced demographic density. It should be stressed that not all the border regions found themselves in such a situation since both on the Spanish and on the Portuguese side of the border the coastal border areas (in particular the districts of Braga and Faro and the provinces of Pontevedra and Huelva) were special cases in the border environment, especially as regards demographic dynamics and occupation density. With the exception of these latter cases, however, all the other spatial units (provinces and districts) underwent strong population losses between 1960 and 1981 and in most cases such losses were as high as 20%. In themselves, they were usually low population density areas since, even though they represented almost one quarter of the surface area of both countries, they hardly contained 13% of the population. Thus, the Portuguese part had a density of 47.5 inhabitants/Km² and the Spanish part a density of 39.3 inhabitants/Km², although even lower values were sometimes reached (21.1 inhabitants/Km² in the province of Cáceres, or 18.4 inhabitants/Km² in the district of Beja).

In terms of production, these regions were eminently rural, based on an agricultural system, and indeed there was little real industrial initiative. In 1981, the active population involved in agriculture was 33.5% on the Portuguese side and 33.9% on the Spanish one, in contrast to the respective values of 21.1% and 15.4% for industry. Only the districts of Braga and Faro and the provinces of Huelva and Pontevedra could be considered candidates, at that time, as regions not based on a mainly agricultural system, unlike some of the other cases in which the active population involved in agriculture accounted for more than half of the total active population (the case, for example, of Bragança and the district of Vila Real).

However, the limitations of this economic structure were also due to the available human resources, who in comparison with other areas had a tremendously low level of training. In the Portuguese case - in relation to all the border districts- the absolute majority of the population (always above 80 percent) had a degree of academic training equivalent or lower than primary school (four years of schooling) and on the Spanish side the situation was little better, the percentage of the population with the same level being the majority (always above 50 percent). All this was accompanied by vast percentages of illiteracy, ranging between 17 and 35 percent in the case of the Portuguese side of the border (districts of Braga and Beja, respectively) and between 3.1 and 12.3 on the Spanish side (provinces of Salamanca and Huelva, respectively). At the other extreme (i.e., higher education) the panorama was equally despondent since on the Portuguese side the population of people in possession of a degree in higher education did not even reach one percent, while on the Spanish side it only reached 3%.

As may be seen, at the beginning of the eighties, the border regions were already low-density spaces, marked by the absence of any major urban centres of any relevant dimension or dynamic import with respect to both the European and domestic scales. In fact, although close to the border even the cases of Badajoz or Vigo-Pontevedra in Spain can be cited in this sense since on the Portuguese side there were no comparable centres to these and not even any centres with any kind of supra-regional influence.

During the seventies and eighties, despite most of the Spanish-Portuguese border regions being eminently peripheral and characterised by a low population density (not only in demographic terms but also as regards social, economic aspects, etc.), they were in fact able to benefit from certain quite "energetic" localised economic developments, essentially relating to the border itself. It would be true to say that parallel to the increase in the flows (goods, merchandise and capital) between the two countries, areas were consolidated in which economic activity -focused directly or indirectly on the border (sectors linked to customs activity, restaurants, trans-border commerce, financial activity, etc)- was quite vigorous and led to local border production systems with a certain degree of articulation and complementarity (between both countries). Examples are the Valença-Tuy tandem, or those of Vilar Formoso-Fuentes de Oñoro and Elvas-Badajoz. In the case of the Spanish-Portuguese border these were thus merely small economic "oases", dependent essentially upon the functionalisation of the border, customs activities, and the pronounced "hermetic" nature of the border.

#### The New Model of Development and Relations

Upon the simultaneous adhesion of Spain and Portugal to the European Community in 1986 and the numerous structural changes that this huge step demanded, a new model of relations and development for the Spanish-Portuguese border regions began to emerge. This new model, encompassed within the global process of European integration, was focused on the renovation or strengthening of certain factors that characterised the previous model, essentially, as regards institutional aspects, functional changes at the border, and the available financial tools/media.

In institutional terms, the most important change derives from the adoption of the EC legislation and from the introduction of a supra-national identity, within an environment that had hitherto been tied to a most profound national sovereignty, all this occurring simultaneously with the acceleration of the process of European integration itself. Later- after adhesion- the imperative of moving towards an effective Single Market, which implied the elimination of many barriers (physical, fiscal and technical), led to the Single European Act, which was to enter into existence in 1987 and promoted the following steps: a Single Market and Economic and Monetary Union. Within a relatively short period of time, for the Spanish-Portuguese border and respective intervention policies this process came to represent a significant functional mutation, and -at the same time as permitting the free circulation of people, merchandise, capital and services- it allowed the almost complete reduction of all border controls and the progressive abolition of customs activities, simultaneously and equally, on both sides of the border. Likewise, the new model emerged as one featuring a sharp increase in the functional "permeability" of the border –incepted by decree and by the dismantling of most of the border's control infrastructures. Nevertheless, despite these actions there was still a strong degree of disarticulation between the border regions and the border continued to be markedly "impermeable". At that time, it was assumed that, later on, the integration process (and respective financial media) was to correct this.

In the light of what has been emerging for several years now, the bilateral relations between Spain and Portugal supported at least the *feeling* of a new model, once the long-awaited path of European integration (together with the available financial resources) could no longer be perturbed by strife or negligence relative to consolidation the Single Market, based on border issues, had been undertaken. Thus, several agreements were set up to resolve certain problems deriving from this issue, such as the cooperative agreement for the fight against drugs in 1987 and the agreements for cooperation and reciprocity in the field of civilian protection, collaboration between the two country's police forces, highway security, and fiscalisation of the border areas in 1992. At the same time -although on another scale- new institutional frameworks began to emerge, of special relevance in the border setting. Here, we refer to a large body of agreements and trans-border cooperation institutions that, since the eighties, have proliferated (not infrequently on a short-term or even unfruitful basis) under many guises. Examples are Working Communities, Cooperation Protocols, Border Initiative Agencies, Trans-Border Associations for Local Development, Trans-border Municipal Associations, etc. These have established a new framework for trans-border cooperation, based essentially on a formal concept.

Another essential and original aspect of this new model undoubtedly refers to the available financial tools/media. As well as the generic financial supports made available by the Community -in

particular through its Regional Policies- stress should be placed on those that are destined directly for improvement of the level of development of the border regions; to the adaptation of these to the Single Market, and to the promotion of trans-border cooperation networks, such as INTERREG. Theoretically, this Community Initiative Program would allow border regions to access not only large amounts of money, dedicated to the issue in question and the resolution of historical weaknesses, but also to effective trans-border tools for programming and planning, which had hitherto been impracticable and politically inconceivable a few years before.

In the past -excluding the strategic question of water resources- the understanding attained (sometimes in a completely occult fashion) concerning issues of import for the border (of which political oppression and persecution must unfortunately be included) had almost always been in the sense of reinforcing control over and "impermeabilising" it; that is, a voluntary and organised exercise of transborder cooperation, but in the sense of separation and disarticulation. In this sense, the new model of relations and development for the Spanish-Portuguese border regions encompassed a truly innovative attitude, at least with respect to the previous fifty years of its history.

At the end of the eighties, this new model and the political and financial juncture encompassing it were institutionally assumed to be "the last opportunity that these regions will have to initiate a movement towards transformation that will allow them to face up, with some degree of confidence, to the new economic reality that the Single Market will bring with it" (DGDR, 1989: 6).

#### Expectations and Aspirations for the Border Regions.

The vision of a new model, together with its innovative attitudes and its financial tools, legitimately enhanced the expectations and reinforced the aspirations of the border regions. The starting point was the assumption that this new model, based on the funds stemming from the consolidation of the Single Market and on the "opening of borders", was to achieve in a relatively short period of time, and indeed almost automatically, the complete elimination of the nefarious consequences of many decades of strong border "impermeablisation" and of the marginalisation of the border regions.

To correct the initial nefarious effects of the actual process of partial defunctionalisation of the border, certain supports were put into play, through which the promotion of integration at trans-border scale seemed ensured, such as a substantial increase in the level of development of these regions. To take these border regions to a *safe port from the storm*, the new model would contribute to the consolidation of positive dynamics such as (i) the *relocalisation* of border regions within territories aspiring to be transnational; (ii) the reorganisation of the production systems of the border regions, by extending their *hinterlands* and through new comparative advantages in terms of centrality and accessibility; (iii) a generalised interiorisation of a trans-border vision of the markets, economic agents, institutions, resources and territories; (iv), the development and implementation of trans-border infrastructures; (v) promotion of trans-border cooperation at all levels, in the sense of making the available strategies compatible and using available resources more rationally.

# 3. THE SCANT MATERIALISATION OF THE NEW MODEL AND THE MAIN INSUFFICIENCIES IN THE PROCESS OF TRANS-BORDER INTEGRATION.

Despite the considerable expectations that the new model of relations and development introduced, the evolution of the Spanish-Portuguese trans-border regions, and of the trans-border integration process itself during the 15 years following the adhesion of the two countries to the EC, the pathway envisaged could not be followed. In this sense, in general the development of the border regions was not as expected either, with the respective consequences in terms of economic cohesion, and the process of economic integration at trans-border level was not equally convergent with the integration of several different economies either, in particular as regards the accelerated nature of the process of economic *fusion* between Portugal and Spain.

A plethora of factors must have been involved in this evolution; *grosso modo*, these can be decanted into two schools of thought. The first would encompass the large processes of economic and territorial reorganisation then in course in the Iberian Peninsula, which have distanced most border regions from the main scenarios of economic development in Spain and Portugal in recent years. The second one corresponds to the particular environment of the border itself or, more specifically, to the scale of the trans-border regions, in which certain "inertias" were to emerge that would act in contradiction to the anticipated evolution.

# The Timid Rhythm of Development and the Weak Reinforcement of Intra-national Economic Cohesion.

In comparison with the situation prevailing at the beginning of the eighties, discussed above, the Spanish and Portuguese border regions underwent a positive evolution. However, it is of interest to analyse this evolution within the framework of the respective countries with a view to discovering whether this evolution was in the sense of convergence and national cohesion or whether, by contrast, and in spite of being positive, it instead reinforced the peripheral nature of these regions. For this short exercise, we shall analyse the evolution of the Gross Domestic Product (GDP) at market prices for the border NUT3 level (which we shall refer to as border regions) for the period 1988-1997 for Portugal and for 1987-1998 for Spain.

In the case of Portugal, for the 1988-1997 period, growth of the *per capita* GDP was continuous for all the border regions. However, with respect to the national total-with the exception of the Algarvethey had a *per capita* GDP that was considerably lower than the national mean, in most cases with a differential of more than 20% (in 1997). Likewise, overall the Portuguese border regions in terms of *per capita* GDP did converge towards the national mean, passing from 74% in 1988 to 79% in 1997. An individual analysis of each unit allows the perception of certain trends:

- The border regions that between 1990 and 1993 were strongly divergent with respect to the national mean, thereafter recovering, either very slowly (as is the case of Douro, the Alto Alentejo and the Baixo Alentajeo) or more vigorously (Alentejo Central).
- The border regions in which a relatively stable convergence occurred along the process, either more intense (Cavado, Minho-Lima and Alto Trás-os-Montes) or less intense (Beira Interior Norte and Beira Interior Sul).

• The particular case of the Algarve, where, starting out with a *per capita* GDP above the national mean, there was divergence along the period.

In the case of Portugal, it can therefore be said that, although rather timidly, the border regions have converged with respect to the national mean, at least in terms of *per capita* GDP. Nevertheless, this does not correspond to a change in the actual position of these regions within the national context, especially since a large part of this convergence arose through the *demographic* route; that is, it did not essentially depend on pure expansion of production but rather on the reduced population (the loss of population across the border regions was significant and in some cases surpassed 10%, in contrast to the stability of the national population).

This is confirmed by the stagnation that the weight of the GDP of all the border regions has been subject to in the national total; i.e., as regards the *per capita* GDP, the border regions have converged very slowly with respect to the national mean, although they did not change their position (marginal) in the overall national set.

Chart 1 – Total and relative *per capita* GDP (national total =100) in the Portuguese border NUTS 3 level from 1988 to 1997

(x1.000 esc.)

_	1988		1989		1990		1991		1992		1993		1994		1995		1996		1997	
National total	709	100	841	100	994	100	1.146	100	1.291	100	1.361	100	1.476	100	1.594	100	1.693	100	1.797	100
Minho-Lima	403	57	483	57	583	59	686	60	802	62	852	63	974	66	1.045	66	1.146	68	1.236	69
Cávado	500	70	588	70	693	70	797	70	944	73	1.022	75	1.156	78	1.257	79	1.393	82	1.403	78
Douro	504	71	616	73	744	75	830	72	849	66	977	72	1.061	72	1.154	72	1.315	78	1.312	73
Alto Trás. Montes	398	56	488	58	606	61	731	64	850	66	873	64	966	65	1.035	65	1.109	66	1.181	66
Beira Inter. Norte	457	64	562	67	692	70	791	69	907	70	948	70	1.036	70	1.128	71	1.191	70	1.251	70
Beira Interior Sul	558	79	672	80	799	80	913	80	1.052	81	1.092	80	1.224	83	1.414	89	1.381	82	1.450	81
Alto Alentejo	577	81	718	85	835	84	859	75	921	71	1.011	74	1.090	74	1.226	77	1.372	81	1.432	80
Alentejo Central	533	75	644	77	772	78	836	73	925	72	1.034	76	1.120	76	1.216	76	1.370	81	1.528	85
Baixo Alentejo	506	71	660	78	784	79	796	69	811	63	866	64	1.014	69	1.094	69	1.157	68	1.219	68
Algarve	737	104	874	104	1.042	105	1.204	105	1.398	108	1.415	104	1.472	100	1.585	99	1.703	101	1.815	101
Border total	522	74	633	75	759	76	858	75	971	75	1.033	76	1.134	77	1.233	77	1.345	79	1.411	79

Source: INE – Portugal

In the case of Spain, this time for the 1987-1998 period, the situation is very similar to that seen in Portugal. The growth in *per capita* GDP has been equally continuous for all the border regions and, with respect to the national total, all have had a *per capita* GDP that is considerably lower than the national mean, in most cases a differential of more than 20% being maintained (in 1998). Overall, the Spanish border regions in terms of *per capita* GDP converged slowly with respect to the national mean, passing from 74% in 1987 to 80% in 1997.

Regarding the differences in behaviour between the different units, it would be possible to differentiate the border regions that, in relation to the *per capita* GDP, have converged more intensely

(Salamanca, Cáceres and Ourense) from those that have shown a more restricted convergence (Huelva, Badajoz and Zamora) or none at all (Pontevedra).

For the Spanish case, and in relation to the positioning of the border regions within the domestic context, one finds exactly the same situation as in their Portuguese counterparts; that is, although timidly, the border regions have converged with respect to the national mean. This does not correspond to a change in the position of these regions within the national context because, in the same way, not only a large part of the convergence comes from the *demographic route* (the loss of population in the Spanish border regions, despite being less intense than the Portuguese ones, was accompanied by a demographic growth in the national set), but also a stagnation was observed in the weight that the GDP of all the border regions has had in the national total.

Within this sphere, both for the Portuguese case and for the Spanish one, "the number of inhabitants is an ambivalent factor; it acts as a divisor in the per capita indices, but is the final cause of the dividend. Depopulation and lagging behind go together as cause and effect-like the migrations of the sixties and seventies, whose populations grow old, become poor- and lead the zones whose their population is dwindling to lose their dynamic status, generating in exchange a positive chain of construction, services, infrastructures, market increases, etc., in the emigrant-receiving zones" (GARCIA, 2001: 627).

Chart 2 – Total and relative *per capita* GDP (national total =100) in the Spanish border NUTS 3 level for the 1987-1998 period

(x1.000.000 Pts.) 1998\* (a) 1994\* 1987 1989 1991 1993 1995\* 1996\* 1997\* National Total 1,009 100 100 1,522 100 1,73 1,776 1,918 100 2,036 100 2,158 2,304 100 1,263 100 100 100 74 1,631 1,729 Huelva 0,761 75 0.937 1,100 72 1.230 71 1,343 76 1,521 79 80 1.847 1,949 0.798 79 1,027 81 1,289 1,485 1,579 1,708 1,831 Salamanca 85 86 89 89 90 90 2.089 0,704 70 0,898 71 1,069 70 1,238 71 1,304 73 1,389 72 1,511 74 1,594 74 1,712 Zamora 0,599 59 0,765 0,957 1,073 1,151 65 1,229 1,343 1,440 1,522 Badajoz 61 63 62 64 66 0.759 75 0,976 77 1,329 77 81 81 1,703 1,814 Cáceres 1,177 77 1,435 1,548 84 84 1,953 85 1,347 0.87 87 1 462 1,574 1,67 87 1,754 1.851 2.011 Pontevedra 1.11 88 88 84 80 86 86 87 1,259 1,478 Ourense 0,681 67 0,900 72 1,138 75 72 1,366 77 77 1,564 77 1.662 1,759 76 Border .305 **NUT III** 1.17 1.405

Source: Renta Nacional de España y su Distribuición Provincial. Série Homogénea años 1955 a 1993 y avances 1994 a 1997, Fundación BBV, 1999
(a) Source: Fundación BBV

In the case of these regions, it can be said that in terms of developmental level and in comparison with the *scenario* prevailing at the beginning of the eighties, we are now witnessing a positive evolution in the post-EC adhesion period. Nevertheless, we should not forget that this evolution was accompanied by an *anaemic* reinforcement from intra-national economic cohesion and an inept repositioning of the border regions within the national contexts.

If the spatial units serving as a basis for this short analysis were able to present a greater degree of separation, so as to acknowledge spatial units that truly approach the border regions, the result would be relatively different since, as a rule and for the border NUT3 level, the true border sectors are *per se* highly peripheral areas within the context of these same units. This problem is more pronounced in the Portuguese part owing to the great extension of some of the units analysed, of which the Algarve or Cávado are a good example since they only contain a very small border sector. Territorial knowledge and certain relevant information (in particular, that referring to economic and fiscal activities) would allow us –in relation to the *per capita* GDP- to clearly note a divergence with respect to the national mean if we were to analyse the spatial units of truly border nature.

## The Very Limited and Profoundly Divergent Trans-border Integration with the Process of Economic Fusion Between Portugal and Spain.

Although the two Iberian countries were economically distanced for a large part of the twentieth century, the situation changed in 1986 with the simultaneous incorporation of Spain and Portugal into the European Economic Community. Regarding Portugal, in the opinion of many analysts the most important outcome of this adhesion was rapid economic integration with Spain, the large neighbouring country (...). After little more than 15 years, the result cannot be closer to that prediction: currently Spain is the first provider and second client of the Portuguese economy (AZEVEDO, 1999: 61) From the Spanish perspective, economic approach to Portugal has been equally as intense. From 1985 up to 1999 the bulk of imports originating in Portugal out of all Spanish imports more than tripled and the weight of exports to Portugal out of all Spanish exports quadrupled. In sum, we have seen an accelerated process of approach and integration between the two economies, such that in this new century it would not be untrue, mainly for the Portuguese, to speak of economic fusion between the two countries.

This process of economic approach is equally valid for the case of the border regions, since relative to international commerce –as regards both imports and exports- the trend in the past few years has been in the sense of increasing the economic interaction of these units with respect to the neighbouring country, this being very pronounced on the Portuguese side. However, it is not possible to infer from this that the economic interaction between the Spanish and Portuguese border regions is strong. For example, with respect to certain cases that in terms of exterior commerce have shown a strong and clear economic interaction with the neighbouring country it has been reported (CARAMELO, 1990) that economic interaction is not synonymous with trans-border integration at the level of the production system. We refer here, for example, to the absence in this environment of an effective job market, logistic and distribution networks, concerted R+D actions, etc. That is, the *dependence* in relation to commerce with the neighbouring country is large but the bulk of this same commerce between business companies present in markets that are *spatially* close but *territorially* separated by an international border is much smaller. In this sense, in general it seems clear that trans-border economic integration (between contiguous border regions) -unlike what was announced and foreseen- has been limited and fairly divergent with the process of economic *fusion* between Portugal and Spain.

## The Problematic Circumscription of the Border Regions within the Larger Process of Economic and Territorial Reorganisation on the Iberian Peninsula.

As we concluded above, despite the somewhat impetuous and yet profound process of integration between the Iberian economies, in the last 15 years this did not occur in a generalised way at trans-border scale. In fact, the general strategy concerning Spanish-Portuguese economic integration was based on a logic of what could be termed the "Iberiaisation" of the markets; that is, an attempt to see Portugal and Spain in the light of a single market and not on the basis of strategies aimed at regional proximity. Both countries had sufficiently similar economies, at least as regards relative price structures and comparative advantages, to not justify intense dynamics of mobility or the transference of productive units from one side to the other. Direct investment and the entry of new companies –whether Spanish or Portuguese- "Will not be governed, structurally, by comparative costs; the advantage of Portugal as regards salary costs will tend to become increasingly smaller and was not even relevant in the past; it will take into account the location of the population, performance and acquisitive potential in all activities in which proximity to consumers and final clients is important; and it will take advantage of the opportunities that arise through many different possibilities, without no decision concerning systematic localisation deriving from this" (AZEVEDO 1999: 63).

In spatial terms, national logic (in some cases nationalist in nature) has been surpassed and emphasis is now placed on the comparative advantages in terms of accessibility to markets outside the Iberian Peninsula and on the proximity of the large Iberian markets of final consumers. This type of logic implies a markedly selective territorial impact; that is, —on the one hand- it covers areas that are well connected by different forms of transport, with clear support for the main coastal areas, and —on the other-the main urban/demographic agglomerations, in contrast to the interior part of the Peninsula (except perhaps the cases of Madrid and Zaragoza).

In this sense, in a simplified way one could identify five large areas as the main vertices of the dynamics and development of the Iberian Peninsula: namely, the Cantabrian area (centred mainly on the Basque country); the Ebro River Diagonal (the diagonal between the Basque country and Catalunya); Catalunya itself and its prolongation to the south across the Mediterraanean Arc; the Community of Madrid and, finally, the coast of Portugal between the Setúbal peninsula and the Cávado valley. On a second level, one could refer to the case of the Andalusian coast and, in a different environment, the archipelagos of the Balearic Islands and the Canary Islands. Focusing our attention on the case of the border, it is easy to see that -with the exception of the coastal areas, in this case the two extremes of Minho-Galicia and, although to a far lesser extent, the Algarve-Huelva- the remaining territory will not be affected (nor used) to the same degree by this process of territorial and economic *reorganisation*. This is intimately linked to the peripheral and marginal character of the border regions in terms of comparative advantages, in particular in the field of accessibility and of the dimension of their own markets.

Some Specific "Inertias" of the Border Regions.

As may be seen, the problems of development and positive territorial integration of the border regions cannot be separated from the problems of regional asymmetries (or from the processes involved in their genesis) currently prevailing on the Iberian Peninsula. However, in the case of the border there are additional and highly specific problems – its historical background, the long process of marginalisation, the resistance to articulation generated (still) by the border, the personal "inertia" of the inhabitants, etc-that the process of European integration and the new model of development and relations have proved to be unable to overcome.

It would be out of the scope of this work to offer a detailed presentation of the difficulties or "inertias" typical of the Spanish-Portuguese border in the last fifteen years since the problem *per se* is extremely complex and of a vast dimension. Nonetheless, we cannot but offer a short series of reflections about some points that we consider to relevant in this sense.

First, there is the issue of the actual historical background of marginalisation and the strong territorial "inertias" lived by the trans-border regions, which over past centuries on one hand promoted the disarticulation and separation of the trans-border territories and, on the other, cumulatively consolidated their peripheral character. In this process, one first has the needs for defence against "the other" and the imperative of national sovereignty (survival?), which structures border regions as a line of defence and, some of its pieces, as "chosen operation theatres". Later, in the twentieth century, the dictatorial regimes and their policies of gradual separation promoted the control and policing of the border and structured the border regions as lines of separation, such that these regions were totally focused towards the interior of the respective countries. The result of this historical process is an almost perfect separation between the individuals and production media of the two nationalities, although at the same time a profound territorial, economic and social disarticulation "scarcely broken at some points at which national needs for contact would create places for the control of the international flows or at which the cultural aspects and difficulties in survival inherent to the marginalisation of these areas fostered ancestral ties of binding" (CARAMELO, 1999: 741). That said, we believe that an attentive reading of the special nature and background of these regions clearly points to the notion that one should not expect that "the territorial integration and consolidation of trans-border regions happens short-term, almost by magic" (CARAMELO, 1999: 741).

Intimately linked to the historical background is the issue of "mental inertia". In fact, it would not be possible to rule out a relative degree of antipathy between both nationalities, due among other reasons to the above historical background, the times then lived, an education directed politically towards reinforcing national conscience (supremacy?) relative to "the other" and, above all, to a marked ignorance and respective lack of interest in overcoming this ignorance, which eventually led to the establishment of stereotypes that were easy to assimilate but difficult to discard. We believe that this scenario is completely discordant with "our own times", now undergoing a profound transformation; it will hence always be a "generational" task, but never a short-term one. One of the manifestations of this "mental inertia" is a generalised absence of trans-border movement in support of the social and/or economic

areas. Actually, the lack of these "base" movements, both at institutional and at social level, was a huge obstacle to the implementation and success of the processes of trans-border cooperation, pitfalls that only now seem to be being overcome.

To palliate some of these obstacles, of great importance were the specific community interventions for border regions, mainly the first and second INTERREG programs. Beyond the financial funds available for solving the particular and chronic problems of the border regions and promoting transborder cooperation activities, which would logically attract the attention of the agents, these programs also played an important didactic role as regards the potentials inherent in the promotion of trans-border integration. Nevertheless, these interventions proved to be somewhat diluted with respect to their original goals and the results obtained were inconsistent. The first of these Programs financed some important projects in local terms but they essentially lacked a true trans-border spirit; that is, no significant increase in trans-border integration emerged from them, largely owing to insufficient strategies and coordination between the two governments and also to the lack of tools for applying such strategies. Later, the second INTERREG, extending the eligible measures and reinforcing the budgeting component, found an application that followed -more or less- that of the first program: although there were some initiatives related to the "dynamisation" of business cooperation, such as business meetings and forums, stress should again be placed on the lack of coordination between both sides of the border. We believe that these interventions have to a large extent overlooked the historical background and have not sufficiently interiorised either the specificity of these regions or the basic aims proposed. In sum, with few exceptions the INTERREG programs will end up forgetting not only the actions of truly trans-border character but also the actual trans-border regions themselves. This will mainly occur either through a diffusion of the interventions in areas that, despite being chosen as targets are in no way true border regions, or through significant concentration on the main urban capitals (district or provincial capitals) of these areas. In this sense, these programs played a very small role as regards reducing the nefarious consequences of many decades of strong border "impermeabilisation" and the marginalisation of the respective border regions.

#### 4.CONCLUSIONS

Along this article we have attempted to offer a brief summary of the evolution of the Spanish-Portuguese border regions within the sphere of the process of European integration, emphasising the fact that despite the improvements seen in the past few years the process still contains some negative aspects – more structural than of juncture- that to a large extent derive from their historical and geographical specificity.

An overall analysis, such as we have been attempting to give, must necessarily be complemented with a meticulous observation at other scales, especially since each unit has appeared to assimilate the integration process in its own particular way. From here arises, among other things, a progressive tendency toward heterogeneity in situations within the sphere of the Spanish-Portuguese border, highlighting the importance of the regional singularities for a correct understanding of and intervention in these regions. Within this context, we feel it to be of interest at the end of this article to underscore certain

geographic elements that introduce a label, as it were, into current forms of trans-border organisation and relations: the dynamics typical of coastal areas, which tend to be more dynamic than interior areas; the difference between *dry line* and *wet line* (parts of the border in which the physical support is formed by *rivers* with strong currents), mainly because in the case of the *wet line* the physical support of the border establishes a natural element of first magnitude in the articulation of these spaces, although also in the forms of relations; the noteworthy geographic continuities of the mountainous areas, which not only separated ancestral forms of occupation but were also responsible for the problems of depopulation and disarticulation.

In terms of the level of development, certain indicators relative to the border spaces point towards a very timid convergence within both national sets; this would largely be due to demographic regression. Within this context, the specific actions for the trans-border regions had a very limited role, due both to the poorly adjusted application and coordination of the interventions and to budget restrictions. Also, greater emphasis should be placed on the impact of other interventions such as those emerging from the sphere of the Structural Funds or the LEADER Community initiative (DIÉGUEZ, 1998a). In any case, we believe that this evolution was insufficient to appropriately invert the *cycle of marginality* and to reposition these spaces with the national peninsular spheres, much less at Community level. If by convergence one understands the approach of the levels of the quality of life and welfare of the citizens from the border regions to those found in more developed areas of the Iberian Peninsula, the conclusion to be drawn from the above analysis is that the border regions remain far behind the rest of the Community and its regional policies; as a tool for reinforcing cohesion and convergence in these areas, it will have to be much more incisive in its attempt to reduce the inequalities within the specifically transborder areas.

In conclusion, from all of the foregoing we believe that in the case of the Spanish-Portuguese border it has not been entirely possible to put into practice the whole of the new model of relations and development and gain from it all the potential that the model presumably contained. In this sense, if at Community level it can be concluded that "in economic terms the regions with internal borders in the EC cannot, in general, be seen as having more difficulties than other regions, due-on one hand- to the scope of the economic integration within the Union, and-on the other- to the success of the INTERREG initiatives (EUROPEAN COMMISSION, 2001: 34), we consider that for the case in question it will be necessary to find more time and invest much more effort if the new model arising from the entry of Spain and Portugal into the EC is to be able to produce its most positive effects in the border regions and if such regions are to be able to be seen as "not having more difficulties than others".

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