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**Dualism and European Agenda, from solution to problem**

The paper provides a synthetic view of the profound crisis of the Italian economy, and it discusses the issue of the effectiveness of the European Regional Policy.

It points out several asymmetries due to the dualistic nature of the Country. The extremely negative performance of Southern Regions also affected the dynamics of the most advanced Northern Regions so that all Italian regions experienced a dramatic downgrading in the context of the European Union.

Several worrying aspects are considered: shrinking of the stock of productive capital, and of the productive capacity, increasing income inequality and the rapid growth of absolute poverty. Considerable attention is paid to the demographic effects of the crisis. The analysis considers the peculiar, selective character of the emigration flows in the last ten years which are particularly intense among young and most educated people. The structural effects of such a tendency would bring in 2060 to a population loss of 4 million people in the Southern Regions.

Being our Southern regions the most relevant lagging area in the UE, the paper considers the role of the so-called cohesion policy implemented by the European Union. This policy, operative since 1998, has been less and less effective in our case. Several reasons that may be the cause of such a failure are considered, both endogenous to the “Mezzogiorno” and exogenous like fiscal dumping and the effects of having to compete in a non-optimal currency area.

The need of more strict coordination among Regions and the State authority is considered as condition for a possible solution as well as the urgency to conceive the regional policy as the core of a national strategy aimed to fully exploit the Mediterranean option.

Logistics, green economy, in an Euro-Mediterranean perspective, would provide a new and more secure position to Italy in the international division of labour of this global world.