

On the spatial convergence of (un)employment in Portugal

António Bento Caleiro ^{*1}, António Guerreiro ^{#2}, Gertrudes Saúde Guerreiro ^{†3}

^{*} *Department of Economics, University of Évora, Largo dos Colegiais, n.º.2, 7000-803 Évora, Portugal*

¹caleiro@uevora.pt

[#] *Department of Management & CEFAGE-UE, University of Évora, Largo dos Colegiais, n.º.2, 7000-803 Évora, Portugal*

²ahmg@uevora.pt

[†] *Department of Economics & CEFAGE-UE, University of Évora, Largo dos Colegiais, n.º.2, 7000-803 Évora, Portugal*

³gdsg@uevora.pt

Abstract - Regarding the EU policies of territorial cohesion is common to assume that, having the same been successful (in Portugal), regional disparities decreased. The purpose of this article is to assess the veracity of this allegation, for that considering the values of employment and unemployment rates by municipalities, determined in the last two censuses held in Portugal, i.e. 2001 and 2011. In doing so, spatial econometric techniques are used, namely local indicators of spatial association and spatial clusters, in order to better understand the eventual process of spatial convergence that may have occurred in Portugal in that period. The results point towards a spatial convergence of employment rates (both in total and by genres) and also of female unemployment rates but a spatial divergence of male unemployment rates.

Keywords – *Regional disparities; Territorial cohesion; Spatial Convergence; Spatial Econometrics*

1. Introduction

As is known, the cohesion policy of the European Union (EU) established in 1986 at the level of so-called Single European Act, favored the economic and social dimensions. In fact, right from the Treaty of Rome, creating the European Social Fund (ESF) in 1957, the principle of social solidarity was present in Community designs, particularly in terms of management of Structural Funds. Being understood that the main purpose of the ESF corresponds to the increase in employment, this goal has been reflecting the changes imposed by the various phases that the cohesion policy has passed. In

this process that goal gained special relevance, as the main instrument to attain the objectives of economic and social nature associated with the cohesion policy.

The territorial dimension of European cohesion policy became more relevant with the Lisbon Treaty, being at the basis of the Territorial Agendas of 2007 and 2020. In fact, concerns about territorial aspects were, of course, evident with the creation of the European Regional Development Fund (ERDF) in 1975, which, in the 2007-2013 period sought to achieve, among other objectives: creating sustainable jobs (in terms of the convergence objective) and regional competitiveness and employment. This fund, together with the ESF and the Cohesion Fund are thus a structural part of Community policies with territorial incidence.

Simply put, the goal - something diffuse - of territorial cohesion policies is to promote a more balanced development by reducing existing disparities, avoiding territorial imbalances and to increase coherent sectoral policies with territorial impact. Those concerns were, of course, evident even before the Territorial Agenda 2007. For example, the Committee for Economic Policy of the European Commission, in its 2004 Annual Report on Structural Reforms, identified 9 priority reforms that Member States should put into practice, emphasizing:

1. Promoting economic growth strategies, using incentives to increase productivity and employment rates. In fact, Europe, since then, has been growing much less than desired, with all the ensuing