

LABOUR MARKET AREAS: THE PORTUGUESE CASE¹

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Abstract:

The notion and definition of labour market areas has been internationally debated, namely in the OECD and Eurostat context. This interest derives from the need to identify new functional spatial units which are economically integrated and within which residents can find jobs based on a reasonable commuting effort. The aim of this paper is to present the Portuguese experience on defining labour market areas (or functional urban regions) by comparing the methodology and the results obtained with national and European approaches, by discussing the limitations of Census Portuguese data to define labour market areas and discussing the potential of administrative registers in this context.

The presentation will start by conceptual framing labour market areas within the wider notion of spaces of activity – “the spatial network of links and activities, of spatial connections and of locations within which a particular agent operates” (Massey, 1995: 54) – which is a relevant tool to operate spatial units with meaning to tabulate statistical results, while also introducing the concept of Modifiable Area Unit Problem (MAUP) to evidence the importance of the functional approach when defining relevant spatial units. By taking advantage of the notion of spaces of activity, we will present the proximity of foundation of LMAs and Functional Urban Regions (FUR) – defined as an urban area and its hinterland (OECD, 2012) – for which travel to work flows have dominated its empirical definition. We will then move forward with

¹ This paper was developed under the Project Data collection for sub-national statistics Labour Market Areas, No. 08141.2015.001-2015.502, supported by Eurostat, European Commission.

the experiences of defining LMA/FUR based on the Statistics Portugal and Eurostat approaches.

Past experiences of Statistics Portugal on the development of FUR based on travel to work data were analysed on the Standing Section for Territorial Base of Statistics of National Statistical Council. The discussion in this forum focused on both the methodology to define these functional territories and on their analytical potentialities for policy making. It was concluded that further studies should be developed namely based on 2011 Census results. We will present these results obtained based on the national approach.

Statistics Portugal is currently participating in the grant action launched by Eurostat with the purpose of implementing the European Method at national level. This action aims to assess the feasibility of the proposed European approach by taking into account the specificities of the national urban system and the existing national travel to work data, building on previous experiences with the national methodology. Some preliminary results based on the European approach and 2011 Census data will be presented and discussed with the ones obtained with the national approach by highlighting the main difference of the methodology.

Due to the nature of Portuguese Census data, the available lower geographical unit for which it is possible to relate the place of residence with the place of work is the municipality (Local Administrative Units - LAU1). Thus, another objective of the Portuguese project is to evaluate the possibility of using an alternative source to Census data based on administrative sources: *Lists of Personnel which provide data on the place of work linked with the registers of Social Security which provides data on the place of residence*. These interlinked sources allow obtaining data at parish/LAU2 level while also allowing to delimit LMA/FUR between Census years but comprises a smaller part of the employed population. Thus, some limitations of using these administrative data sources as well as the level of adequacy when comparing with Census data will be presented.