

**CONVERGENCE O DIVERGENCE OF
UNEMPLOYMENT IN EUROPEAN UNION**

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The recent process of integration to European Union had developed a macroeconomic convergence among different markets. In this context, an important question to discover is what is happening in the European labour market. The aim of this thesis is to validate the existence of convergence among European labour markets in terms of unemployment.

The research adopts a double perspective to study the convergence. First, the convergence in terms of unemployment is analysed from a microeconomic perspective. In this sense, it is demonstrated that the collective affected by unemployment is very different among European countries. The distribution of unemployment is very heterogeneous and also there is not a process of convergence inside.

On the other hand, the study of convergence is analysed from a macroeconomic perspective. The measures of convergence of economic growth (β - convergence and σ -convergence) are applied to study of convergence among European unemployment rates. The analysis shows that there is a process of convergence among European unemployment but it is weak and slow. In European labour markets persist important structural problems, for example, rigidities of wages, segmented labour markets and hysteresis; this factors are behind the weakness of convergence in terms of unemployment.

Concluding, if the convergence in terms of unemployment is considered a reflect of the existence of a process of integration among European labour markets, this thesis confirms that the integration is slight or does not exist.

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