

**PORTUGUESE ECONOMIC GROWTH RE-EXAMINED:  
AN ANTI-FADO MANIFESTO \***

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This paper examines the recent growth performance of the Portuguese economy, both in a historical and in a comparative perspective. We first test whether productivity in Portugal has been converging to the EU average, using the stochastic approach to convergence. We then stress that convergence is not an automatic process. To this aim we show that there is no general tendency for poor countries to grow faster than rich countries, even within OECD. We also investigate the extent to which the information content of some policy induced variables helps to explain the variance of growth rates across OECD economies. We find positive correlation between economic growth and measures of institutional development, labour skills and labour market flexibility.