

# IAB-DiskAB

Invitation

## Macroeconomic Stability and the Single European Labor Market

**Timo Baas** (University of Duisburg-Essen)

The Single European Labor Market is seen more and more as an instrument to face short-term challenges like diverging unemployment rates and asymmetric business cycles. Most labor economists, however, agree that the common labor market is far from completion even though migration has increased strongly after EU-enlargement. It is, therefore, an open question to which extent this unfinished common market performs its function. In this paper, we analyze the impact of economic conditions on bilateral migration from Poland to Germany by estimating a two-country DSGE model using Bayesian methods. Our findings imply that migration, indeed, follows cyclical patterns and that it fosters economic stability. This, however, only holds true for the country of origin, as macroeconomic shocks of the destination country have a minor impact on migration.

**Tuesday, February 2, 2016**

**10.00 o'clock**

**Room 126a**