

# Labour mobility and labour market adjustment in the EU

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The movement of workers from one EU country to another is an increasingly important adjustment mechanism for the European economy, particularly since the introduction of the euro.

This paper assesses the economic adjustment role played by labour mobility (intra-EU labour migration). It first looks at stylised facts of mobility at the national and sub-national levels in the EU. Then it analyses the reasons why workers move between countries. The analysis shows that labour mobility increases significantly when a country joins the EU. While euro area membership seems not to be associated with an overall rise in the magnitude of mobility flows, workers do appear more ready to move from countries where unemployment is high, to those where it is lower.

The analysis also shows that workers have become more likely to move to another EU country in response to economic shocks that affect only some countries. Movements in response to shocks have almost doubled since the introduction of the euro. The analysis demonstrates that real wages have also become more responsive to asymmetric shocks during the same period.