

Immigration, growth and unemployment:
Panel VAR evidence from OECD countries

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Abstract

This paper empirically examines the link between immigration flow and growth and unemployment of host countries. The empirical study is conducted using panel VAR approach on data of 22 OECD countries over the period 1990-2006. By using panel VAR approach we are able to compensate for both data limitation and endogeneity among variables. Our results suggest that immigration flow negatively respond to unemployment of host countries, while immigration flow does not affect neither growth nor unemployment of host countries

Keywords: Immigration, growth, unemployment, panel VAR.

JEL classification: E24, J61, O6.