

Impact of Refugees on the Unemployment Rate in Lebanon under Okun's Law

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Abstract: Lebanon is facing an unprecedented economic crisis, characterized by high unemployment, exacerbated by the influx of refugees. These refugees often work without legal recognition and are paid poorly, adding strain to the local workforce. This study uses Okun's law to examine the impact of refugees on Lebanon's unemployment rates in the short and long run. By applying NARDL modeling from 1991 to 2021, we focus on the post-2011 Syrian refugee influx. Our findings show that GDP deviations negatively affect unemployment rates, with the refugee population's impact positive in the long run but ambiguous in the short run.

Keywords: Economic growth, Labor market, Unemployment, Refugees

JEL Classification Number: O40, E24, J61, R23

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