

On the Effect of Immigration on Destination: Country Corruption

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Abstract : This paper analyzes the impact of migration on destination-country corruption levels. Capitalizing on a comprehensive dataset consisting of annual immigration stocks of OECD countries from 207 countries of origin for the period 1984-2008, we explore different channels through which corruption might migrate. We employ different estimation methods using fixed effects and Tobit regressions in order to validate our findings. What is more, we also address the issue of endogeneity by using the Difference-Generalized Method of Moments (GMM) estimator. Independent of the econometric methodology we consistently find that while general migration has an insignificant effect on the destination country's corruption level, immigration from corruption-ridden origin countries boosts corruption in the destination country. Our findings provide a more profound understanding of the economic implications associated with migration flows.

Keywords : corruption, migration, impact of migration, destination-country corruption

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