

## Empirical Estimates of Okun's Law in Malta

Brian Micallef

### Abstract

This study presents various empirical estimates of Okun's Law in Malta for the period 2000-2016. A better understanding of Okun's relationship is important for the design of macroeconomic policies as well as for forecasting purposes. In Malta, the relationship between output and unemployment is relatively weak compared to other European countries. Among the demand components, unemployment is most sensitive to private consumption and exports. The relationship is also asymmetric, with the response of unemployment to output tending to be more pronounced during recessions. Stability tests suggest that Okun's relationship is not stable, although the link has become more pronounced in recent years, while the unemployment rate consistent with full employment has been on a downward trend. Estimates from an unobserved components model suggests that Okun's Law is quite robust at cyclical frequency, with potential time-variation in the relationship being ascribed to the trend components.

### Full Text:

[PDF](#)

DOI: <https://doi.org/10.11114/aef.v4i1.1930>

### Rebacks

- There are currently no rebacks.

**Paper Submission E-mail:** [aef@redfame.com](mailto:aef@redfame.com)

Applied Economics and Finance ISSN 2332-7294 (Print) ISSN 2332-7308 (Online)

Copyright © Redfame Publishing Inc.

To make sure that you can receive messages from us, please add the 'redfame.com' domain to your e-mail 'safe list'. If you do not receive e-mail in your 'inbox', check your 'bulk mail' or 'junk mail' folders. If you have any questions, please contact: [aef@redfame.com](mailto:aef@redfame.com)

### Journal Help

#### USER

Username

Password

Remember me

#### ABOUT THE AUTHOR


Brian Micallef  
Central Bank of Malta  
Malta


Research Office


#### ARTICLE TOOLS

 [Print this article](#)

 [Indexing metadata](#)

 [How to cite item](#)

 Email this article  
(Login required)

 Email the author  
(Login required)

#### JOURNAL CONTENT

Search

Search Scope

All ▼

Browse

- [By Issue](#)
- [By Author](#)
- [By Title](#)
- [Other Journals](#)

#### INFORMATION

- [For Readers](#)
- [For Authors](#)
- [For Librarians](#)

#### Journal Metrics

h-index (January 2024): 25

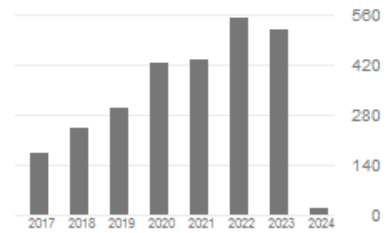
i10-index (January 2024): 84

h5-index (January 2024): N/A

h5-median (January 2024): N/A



	All	Since 2019
Citations	2849	2265
h-index	25	22
i10-index	84	65



#### FONT SIZE



#### Popular Links

[Publication Frequency](#)

[Index/List/Archive](#)

[Editorial Board](#)

[Author Guide](#)

[Author Fee](#)

#### Issues

[Current Issue](#)

[All Issues](#)

#### Other Redfame Journals

[Applied Finance and Accounting](#)

[Business and Management Studies](#)

[Journal of Education and Training Studies](#)

[International Journal of Contemporary Education](#)

[International Journal of English and Cultural Studies](#)

[International Journal of Law and Public Administration](#)

[International Journal of Social Science Studies](#)

[Studies in Engineering and Technology](#)

[Studies in Media and Communication](#)