



Effects of Inflation and Employment Inverse on Economic Growth in Iran (1992-2012)

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ABSTRACT

This study attempted to explore the role of inflation and unemployment inverse on the Iranian economic growth during 1992-2012. Moreover, the effects of inflation and unemployment inverse on economic development were examined within short and long-term periods through an autoregressive distributed lag (ARDL) model. The model was assessed through Microfit 4.0 and Eviews 6. The results indicated that inflation and unemployment inverse left a negative impact on the long-term economic growth. It implies that inflation and unemployment inverse in the long-run led to lower economic growth, which can more than ever propel the Iranian authorities to pay greater attention to the importance of inflation, unemployment and devising new plans for mitigation of the two trends. The results can be employed by all Iranian officials, especially those involved in economic and social institutions and organizations, so as to take measures for mitigation of inflation and enhancement of employment rate, and eventually realize maximum economic growth.

Keyword:

- ✓ *Inflation*
- ✓ *unemployment inverse*
- ✓ *unemployment*
- ✓ *economic growth*
- ✓ *ARDL*

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