

The Effect of Bank Credits on the Labor Market Structure

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Abstract

The purpose of this paper is to investigate the effect of bank credit on the labor market structure. The most important variables used in this study were rural to urban employment ratio, private sector employment to government employment, total employment rate, bank credit, liquidity, facility rate, inflation rate, wage rate, population growth, oil revenues, government spending. The number of university graduates and the number of high school graduates. In order to test the relationship between the variables, the self-correlation model with distribution interrupts (ARDL) was used for the period 1396-1338. Based on the estimates, it was observed that bank credits had a positive and significant effect on the variables of the number of rural and urban employees, private and public sector employees, the employment ratio of total employment and total employment volume, and this confirmed this. Bank credit, in other words, monetary policy, has affected the structure of the labor market in Iran. In addition, it was observed that bank credits had an impact intensity of 0.69 and 0.65 on the variable employment volume, respectively, and this confirmed that bank credits, in other words, monetary policy, had an effect on employment volume.

Keywords: Banking Facilities, Employment, Labor Market Structure, Autoregressive Distributed Lag (ARDL).

JEL Classification: G21, G24, O11, O16.

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