

Evaluation of Employment Policies in Iran

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Received Date: 07/05/2020 - Accepted Date: 19/09/2020

DOI: 10.22096/esp.2021.127205.1343

Abstract

Unemployment has been one of the major problems in Iran's economy over the past decades, and job creation has been one of the main concerns of policy makers over the years. The main purpose of this article is to evaluate employment policies in Iran during 1976-2016. During this period, government has implemented generating projects, granting cheap credits, tax and insurance exemption and encouraging investment in areas with high unemployment rates and attracted foreign investment in the form of development programs. In this paper, labor demand is considered equivalent to job creation so we have estimated the dynamic function of labor demand using the ARDL technique. The results showed that business environment, GDP, labor productivity, government spending, corporate income tax, non-public sector credit balances, capital saving and foreign direct investment had a significant relationship with employment in the period under review. But there was no significant relationship between real wage and employment.

Keywords: Employment, Financial Policy, Monetary Policy, Business Environment.

JEL Classification: J32, E24, C32, K31.

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