Analysis the Economic Effects of Minimum Wage and its Prediction For 1389

Sameti, Morteza[1]
Mostolizade, Seyed Mohammad[2]
Zangeneh, Ehsan[3]

Abstract

One of the most important economic- social goals of governments is supporting the work labor to keep and enhance the purchase power and life welfare and providing their job security and finally making appropriate environment for active labor of society. On the other hand, minimum wage and the other occupation standards are made to improve and promote the more regular behaviors of government experts and existence the quiet environment and without any stress of work relations are necessary for economic activities growth in each society. So, determination the fair minimum wage in this context is very important issue.

In this study, 3 types of questionnaires is designed for employees, employers and governmental experts via views of aware ones to identification the effective and affected variables on wage. Then, variable of fair wage index is considered as unidentified one and is measured via Software Lisrel by economic relations.

Some models are proposed and finally the best one is selected. It shows that variables of public level of prices, gross domestic production, unemployment rate and total population affect on minimum wage. Based on above model, one-unit increase in public level of prices causes to 0.13 increase in wage index and one-unit increase in gross domestic production leads to 0.96 increases in wage index and also one-unit increase in unemployment rate and total population lead to 0.33 and 0.77 decrease in wage index, respectively. Since inflation rate is unidentified in current and next year in our country, minimum wage is measured by different inflation rates in current year via wage index for next year.

[1] Associated Professor of University of Isfahan   msameti@gmail.com

[2] MA Student of Economics in University of Isfahan   sm_mostofi@yahoo.com

[3] MA Student of Economics in University of Isfahan   ehsan64z@gmail.com