



## Reviewing the Effect of Infrastructural Investment on Economic Growth in Iran from 1983 to 2013

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### ABSTRACT

**Introduction:** investment is one of the most important components of today's modern society. The key role that investment plays in the formation of the economic structure of a society has made it a main focus in most of the economic discussions about the role of infrastructural investment. Direct investments on infrastructures paves the way for production facilities, stimulates economic activities and also improves competitiveness by reduction the costs of business and transportations. However, over the past few years, since the developed countries have undergone some technological advancements and evolutions in fields such as new methods of production and storage, electronic business and since these countries have paid special attention to the external effects of this infrastructure especially in the environment, a new view has been developed which is based on the decrease in the effectiveness of the relationship between investing in this infrastructure and economic growth among economists. However, in developing countries, this view doesn't hold true because this infrastructure has not been sufficiently developed in these countries.

**Research method:** the present study aims to review the effect of infrastructural investment on Iran's economic growth. In this respect, the production function economic growth model has been expressed and infrastructural investment has been reviewed as an important infrastructure as an overall variable. In order to identify the effect of the infrastructures on Iran's economic growth, two variables have been used, i.e. physical infrastructures and Information and Communication Technology. In order to estimate the aforementioned model, the autoregressive disturbed lag method in the time span of 1983 to 2013.

**Conclusion:** the findings of this research have shown that in this specific time period, the reviewed infrastructures including Information and Communication Technology and physical infrastructure have had a positive and significant impact on Iran's economic growth.

**Keyword:**

*Economic Growth,  
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