

FINANCIAL TRIBUNE

Iran's Misery Index Improves 40% Since 2013

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Iran's misery index has had a 40% improvement since President Hassan Rouhani took office in Aug. 2013, as it went down from 48.8 in 2013 to 29.3 in 2016, according to data released by Cato Institute.

In 2014 and 2015, the index for Iran stood at 49.1 and 36.7 respectively. Excluding 2014, the trend shows that the index has been treading the path of betterment.

The misery index, created by economist Arthur Okun, helps determine how the average citizen is doing economically and is the sum of the inflation, interest and unemployment rates, minus the annual percentage change in per capita GDP. It provides a clear picture of the economic conditions facing nations.

In its report, Cato Institute considers high lending rates as the main contributing factor to Iran's index.

Founded in 1977, Cato Institute is an American libertarian think tank headquartered in Washington. It is number 16 in the "Top Think Tanks Worldwide" and number 8 in the "Top Think Tanks in the United States".

Cato also topped the 2014 list of the budget-adjusted ranking of international development think tanks.

According to data published by the International Monetary Fund during the fiscal March 2013-14—when Rouhani took office, the CPI inflation rate and gross domestic product growth stood at 34.7% and -1.9% respectively.

The unemployment rate for that year is not available in IMF's database, which is based on the Central Bank of Iran's data. However, the Statistical Center of Iran has put it at 10.4%.

The inflation, unemployment and GDP growth for the fiscal March 2014-15 stood at 15.6%, 10.6% and 4% respectively.

The IMF has put the above figures at 11.9%, 11% and -1.8% respectively for 2015-16.

In the last Iranian year (ended March 20, 2017) inflation rate stood at 8.9% and unemployment at 12.5%. The country experienced a 6.6% economic growth that year.

IMF has estimated that Iran's CPI inflation rate will stand at 11.2% and unemployment will remain unchanged for the current Iranian year that started on March 21. IMF expects Iran's economic growth to reach 3.3% by the end of the current fiscal year.