



Reducing oil-dependence by strengthening the private sector and production improvement as a resistance economy strategy

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Abstract

In all societies economic growth and development is an outcome of production. The increase in production both quantitatively and qualitatively means economic growth and improvement of the economic status. Therefore, special and urgent attentions should be paid to production. Increased production and economic growth in every society means creating more opportunities and better economic prosperity and entry into new areas, in turn paves the way to more creativity in the community. One of the main issues for developing oil exporting countries especially Iran's is to fund development projects and their development through oil revenues and most often, in many of these countries the oil sector compared to other sectors, has higher value added in GDP. But a glance on oil-related economic developments in past events indicates that sharp increase in oil revenues, while seen as a natural wealth but at the same time served as an economic disaster. Therefore, in respect to discussions, the research question in this study given decline in oil prices in recent years coupled with sanctions issues that necessitates more production and investment protection in private sector, is whether dependence on oil revenues can be reduced by strengthening the private sector and increased production and reliance on domestic labor under resistance economy? And which approach should be adopted to replace oil revenues to increase production. For this, annual time series data 1972-2014 and error correction factor was used. The model estimation results indicate that there is a negative correlation between the ratio of private investment to total public investment, private investment and the ratio of exports to imports as GDP prerequisites. Taking the signs of variables GDP to GDP ratio also as relying on domestic labor as well as labor productivity, an emphasis on the long-term labor it can be concluded that reliance on the educated work force in terms of sanctions and resistance economy may helped to increase the country's GDP.

Keywords: private investment, GDP, labor productivity, resistance economy



1: Introduction

Economic growth in every community is found to be an outcomes of production. Any increase in quantity and quality of production means economic growth and improvement of the economic situation. Therefore, production should receive special attention, because if increased consumption is not associated with increased production, economic growth will be reduced in community. Each society should have its production much more its consumption to create new opportunities for investment in other sectors. Increased production and economic growth in every society means creating more and better opportunities for economic prosperity and entry into new areas and allow more creativity in the community. But the national production is faced with challenges that must first identify them and seek appropriate solutions for it. One of the basic problems of developing countries, especially Iran's oil holder, fund development projects and their development through oil revenues and usually, in most of these countries the oil sector compared to other sectors, the share of high value added in GDP in the region. But look at economic developments related to the oil past events show that the sharp rise in oil revenues, while seen as a natural wealth into economic disaster. Some authors as Akani (2007), Mehrara (2008) and Black (2006) reported that oil wealth is an economic disaster for oil-producing countries. Rising oil prices stimulate both the supply and demand in oil-dependent economies exist, but because the systems support the energy sector and government subsidy payments in these sectors, increased energy costs and activities and food provides as is an established oil production. As a result, the macro-supply curve does not transmit only stimulating demand. On the other hand, in recent years the problem of international sanctions, including the uninsured and reduce purchase of Iranian oil tanker by other countries, will led to a decrease in exports and a consequent reduction in national income As a result, following statements by the leader of the increase in national production as a factor affecting resistance economy can be noted that the boom in production by reducing dependence on oil and boost the private sector can be the underlying resistance economy. resistance economy, an economy that is the main economic activity in the field of production and trade has relied on their skills, interact with intelligent outside and allows fast and automatic change without causing serious disruption to the market in the face of external pressure and impact imposed by the hostile and non-aligned countries and continue to make progress and prosperity.

There is a fact that resistance economy without having culture for using domestic products and stimulate national production will not be successful. Because in the microeconomic if even individual consumers be considered without public support to domestic consumption and production of our society, the field of competition on domestic and foreign examples will tight. National production in the current circumstances, more than any other position, for the realization of resistance economy is a necessity. Because it can play a role as a core of the resistance.



The Supreme Leader uses resistance economy word along with the "real" because it requires much more domestic production; otherwise, resistance economy as an unattainable ideal remains. The leader of the revolution and the efforts to realize the resistance economy belongs to the government and House and decision-making organs and executive summary, but also leadership interpretation of "popular economy" emphasizes the public nature of it is actually the same as the one of the pillars of national production and it is based culture until all people not associated with resistance economy and the need to understand it, they cannot hope for a bright future and this is why it is clearer interpretation of the Supreme Leader. But a glance on oil-related economic developments in past events indicates that sharp increase in oil revenues, while seen as a natural wealth but at the same time served as an economic disaster. Therefore, in respect to discussions, the research question in this study given decline in oil prices in recent years coupled with sanctions issues that necessitates more production and investment protection in private sector, is whether dependence on oil revenues can be reduced by strengthening the private sector and increased production and reliance on domestic labor under resistance economy?

2. Theoretical framework

As a whole resistance economy is a modern thought and this novelty entails for scientific community to more attention to this problem. But an initial definition is that we should refer economic growth and development in terms of pressure and sanctions as a new approach to the development of the embargo, this concept is expressed by Ayatollah Khamenei to their modern form accordingly. Leader in defining resistance economy said: "resistance economy means that we have an economy that has maintained its upward trend in economic growth, reduce the vulnerability. That is way below the usual tricks of enemies that will be in the form of damage and disorder. "Economy is a way to circumvent sanctions against a country or region experiencing sanctions. This can involve increasing resilience by substituting local inputs for imported inputs, the smuggling of goods and an increase in barter trade. National production is based on two pillars, namely it is a mutual process. On the one hand the domestic commodity producers and on the other hand the consumers of these goods. Both groups somehow contribute nationalize production and strengthen the foundations of resistance economy, but should not be omitted the fact that both groups have special circumstances. So one of the factors affecting resistance necessary to rely on domestic and national economy. A society that cannot even be dependent on basic commodities produced in the country cannot rely on any economic system that is immune from sanctions and sabotage by the enemies. On the other hand pay attention to human resources for increased production with an emphasis on the economy will be in the way of resistance, is an important issue that by the officials to be taken seriously. Adam Smith for the first time in his famous work *The Wealth of Nations*, the role of human capital and the importance of investment in this regard on economic growth, he emphasized. Smith's ideas, developed skills of the labor force as a tool of capital, improve the efficiency of production. Experts from the ability to produce more than others and are in the process of production, more creative values will be resulted. According to Schultz (1959), known as the father of the theory of human capital,



human adaptive ability is the main source of growth. He gives a scientific answer to problem. In his opinion, when the investment in human capital, increasing labor productivity and increase productivity to increase production and income, and in fact can be considered a form of capital. Schultz Unlike classical and neoclassical economics, does not considered labor is by no means a homogeneous factor. He believes that workforce based on training receives quality and skills that distinguished him for other work force.

2-1. Strategies for implementation of resistance economy and supporting national policies:

To understand the context of the realization of resistance economy, must first pathology and obstacles and fulfill the needs of the resistance economy should be taken into account. Activity in the resistance economy need to observe and monitor domestic and international economic environment, as well as data collected is accurate and up to date. The need to design a pattern of lifestyle commensurate with the resistance economy in general and especially for the defense of the revolution and the Islamic Republic of Iran, those who believe in the validity and truth of ideas resistance economy. We also need a concerted propaganda system that these doctrines through various formal and informal media, as well as suitable packaging to supply people. One of the criteria according to which countries in terms of economic and social comparison, the GNP is standard. The GNP or more properly, the GNP per capita (per capita national income or other measures of national accounts) country is, reflects the state of the country's economic and social good. It should be noted that although GNP per capita criterion reflects the state of the country, but cannot serve as the sole criterion for Comparing welfare countries. Given the importance of the above, the national economy is clear. Given the importance of economic growth in the current situation it is necessary to increase national production than ever before.

With regard to the specific circumstances of the country and the need to confront the threat of international sanctions and under ideal conditions into opportunities by identifying strengths and weaknesses of the country, following should be considered to meet resistance economy objectives.

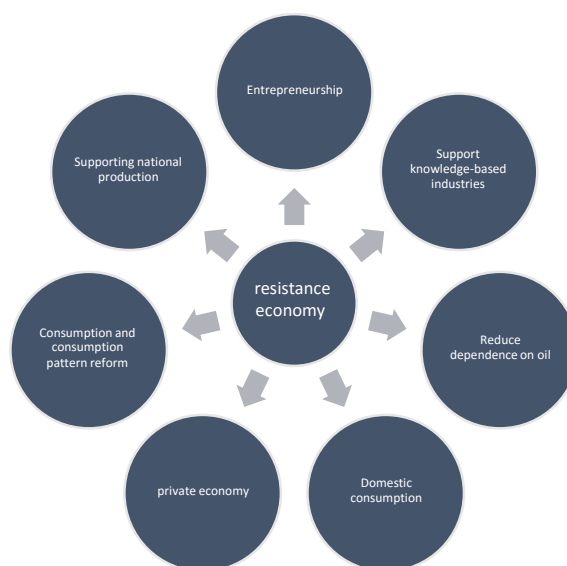
- Production-orientation should be plummet for economic policy. I.e. foreign policy, monetary policy, trade policy and tax policy, banking and manufacturing are priorities.
- Producers to improve production needs technology and suitable machinery. While some limits on the malice in international relations have been imposed on our producers must meet economic management and disposal initiatives support the restrictions.
- Supporting production can occur when the manufacturers take action for production by himself and needs marketing. Internal marketing can help manufacturers through a tariff system or related fields to be pricing. This means that the initiative in the competitive market is so competitive production units able to carry out their managerial market.
- Promotion of culture and knowledge society and consumers: accurate and timely information by placing value on people as entrepreneurs and economic activists and seeking



help from them to help the country to achieve the goals of the resistance economy with important role in achieving the goals will be mentioned.

- The adoption of new decisions on making targeted subsidies plan, in accordance with the terms of the resistance economy, the share of subsidies in this sector to increase production in order to prevent production capacity.
- Increasing the self-sufficiency of the country in the field of science and technology, in this regard, investing in knowledge-based centers, research centers and research projects of interest.
- Various measures to attract the participation of all classes of people, regardless of political preferences and interests and within the framework of loyalty to the constitution and avoid narrow-mindedness and the implementation of the policy maximum absorption and utilization of basic principles in this campaign based on national interests.
- In the present circumstances and in all stages of production, there are many empty capacities. This means that our young people ready to work for mutations in national production, and we also have extensive investments. Only must give priority to the elimination of barriers to existing production units to enable these units to their maximum production capacity.
- The manufacturer must have access to foreign markets, in which case it is possible to support the production of foreign marketing, so jump export orientation should be continued.

In total, according to the Supreme Leader's remarks resistance economy aspects can be expressed as follows



2-2. the resistance economy and reducing dependence on oil

Today it has been clear that the process of political and economic development and therefore the national security of the Petroleum Exporting Countries are contingent upon oil revenues



in other words the country's oil economy. Our dependence on oil revenues in international economics on the issue, on the question of national security in dealing with oil revenues, the impact on social and economic life of the oil in the domestic arena. I must admit that if we remove the oil from all branches of the national economy and even our political economic and social life are strongly dominated by it which in following will be mentioned. One of the solutions to the resistance economy of diversification in the management of oil resources is action from a number of ways it can be operationalized:

- Preventing crude oil sales

To avoid crude oil is one of the demands of the supreme leader from country's economic officials: "We lost our oil, but this not for today and yesterday, it is for decades that foundation of the economy and the country's progress is on oil and it has not changed overnight. I was ten, twelve years ago to the day, officials said, one day you feel happy with the man in the case of oil, the country is able to meet his or her discretion declare that I have produced so many today know little interest me ... Today I want to export I have so little oil in our oil and non-fuel do I take. Fuel, worst use of oil and the world's to better use of fuel oil is discovered and goes, then we can be happy and satisfied with our oil ", they also generate wealth through all possible sources, such as Oil self-deception and they said, "is the legacy of the years before the revolution raw animal retail and unfortunately the country has been caught and must try to save the nation from this trap." According to technologies complex and the world's industrialized countries of at least 220\$ and a maximum of 1,370\$ per barrel of crude oil exploit, claiming if you look at the resistance economy to reduce or cut off crude oil sales to gain more added value.

- Changes in economic structure for the exchange of non-oil exports rather than oil exports

Iran oil embargo provides opportunities to the country's economy dependence on oil revenues treat the underlying disease. Substituting exports and non-oil tax revenues instead of hard currency earnings from oil sales is a good strategy that should be on the agenda of the country's economic authorities. This strategy also reduces the country's vulnerability, an aggressive move in the direction of oil prices and the impact on the economic interests of Western countries is assessed.

Supreme Leader has always been the stressed: "We need to reach here and we can get ourselves out of oil revenues we really need. One of the realities of the economy and our country's dependence on oil revenues. I said a few years ago, but then government officials received the letter does not, we should get to the point that if one day due to political issues, political demands, or economic requirements in the world, for example, we stopped for fifteen days or a month, we can ... if one day the country's economy from oil revenues and oil exports cut off, the power of the Iranian nation and the Islamic Republic of Iran will gain, that his influence in the world above is great. We have to get here. Well, it will support, should be supported by exports. "(2011.8.17)

- Changes in the economic structure for government fund through taxes rather than oil:



One reasonable economy approach is to provide context for the realization of the tax system in the country's so that government willingly can count on revenues. Although economic development plan was a good step but we still tax revenue with the global average and many countries are many. Sanctions could be an opportunity to solve the problem of dependence on the state budget on oil revenues that the wishes of the supreme leader, is: "The budget of our country, unfortunately, for decades it has been dependent on oil. It's all sympathetic economists reject this method has been used in our country. To extract oil, sell, the money to run it; this is the wrong way. Many years ago I told you that this is one of my dreams that one day we can run the country in a way that even if it was necessary, not a drop of oil exports and the country is run. This is what has happened today.

Due to the fact that no country can remain a net importer, access to global markets and expanding exports, the attention of policy-makers and decision-makers has been constant. The Iranian non-oil export deals with obstacles that must be tried in order to overcome them. To achieve long-term goals in the development of non-oil exports with accurate surveying opportunities and threats facing Iran in the global economy can be overcome limitations and weaknesses in the country's economic infrastructure related to exports pay. It is therefore essential in the field of integration and policy coordination are essential measures to be taken.

3. Model and variables clarification:

Undoubtedly, achieving economic development requires to having economy system and the extrovert production. This means that in addition to domestic needs, the development of exports of goods and services in excess of domestic consumption as a strategic objective pursued. Although this means in economic development are taken into consideration, but in practice, the necessary mechanisms are not fully prepared in advance for the purposes of exports. it is an important export petrochemicals. To achieve long-term goals to develop non-oil exports by perusing the opportunities and threats facing the global economy can be fixed within the scope of the limitations and weaknesses in economic infrastructure related to exports pay. According to the theoretical foundations of experimental model will be introduced as follows:

$$GDP_t = \beta_0 + \beta_1 YR_t + \beta_2 I_t + \beta_3 IR_t + \beta_4 XM_t + \beta_5 EF_t + \beta_6 DUM_t + \varepsilon_t$$

GDP = Gross domestic production

IRR = ratio of private investment to total government investment

YR = GDP ratio GNP to as relying on domestic production

I = private sector investment

EF = labor productivity, with an emphasis on domestic labor

XM = ratio of exports to imports as domestic production support



In this study, the annual time series data 1972-2014 was used. Relevant data were collected through the database World Development Indicators (WDI). Also, the dummy variable equation between the revolution and the Iran-Iraq war (DU) and also broke years of variables shit tests by structural failure zivot and Andrews and Lumsdaine -papell, as well as the parent model were taken. This variable represents the impact of social conditions on inflation and uncertainty in Iran.

In this study, using unit root tests in two categories standard unit root tests without structural break unit root test with structural break stationary and the collective status as endogenous variables carefully were investigated. In order to test whether long-term relationship between the variables under study, as well as long-term measure of the speed of adjustment of Bounds test approach and pattern ARDL by the Boys (2001) is used. This method has several advantages over other methods such as method of co-integration Johansen - Juselius is such that it can be pointed to three highlights: First, this method of long-term relationship between the variables in low volume samples (e.g., series when Iran) defines as efficient as Johansen co-integration method to provide reliable and efficient results in a sample with high data volume needs. Second, unlike Johansson, who have all the variables group of the same, test methods Bank, regardless of the variable group of zero I (0), and I (1) or a group of varying degrees of I (0) and I (1) are different, it can be applied and the only limitation is that the method of collective variables is greater than two. Because in the case of collective variables of class I (2) or more, the F statistic calculated by the Boys (2001) cannot be used. Third, Johansen test for the same optimal number of variables while the optimal method of Bounds Test for variables can be different, leading to more consistent results and is estimated to be closer to reality.

4. The results:

4-1. results of unit root test

In most time series studies, unit root in time series variables may lead to false regression and hence the results are not reliable. In addition, the prerequisite for using Bank to investigate the long-term relationship is that the mass of the two variables are not, so it is necessary to test and measure of long-term bank and the status of the collective variables clarify. For this purpose, augmented Dickey-Fuller test (ADF) and Phillips-Perron (PP) is used. The results of both tests show a single differencing all variables are stationary, so all the variables studied are the mass of preference. The results of these tests are summarized in Table 1 is presented.

**Table 1: The augmented Dickey – Fuller Unit Root Test**

variable	ADF Test statistic			PP Test statistic		
	Probability level	First differentiation	Augmented degree	Probability level	First differentiation	Augmented degree
GDP	۲/۸۸۴	-۴/۸۲۵	I(1)	-۱/۱۴۲	-۵/۴۱۰	I(1)
IR	۲/۱۸۷	-۵/۸۳۴	I(1)	-۱/۵۲۶	-۱۶/۲۱۶	I(1)
YR	۱/۰۲۵	-۴/۲۳۰	I(1)	۱/۱۴۱	-۲/۶۶۷	I(1)
I	۱/۵۴۵	-۳/۴۴۹	I(1)	-۰/۶۶۰	-۳/۲۶۵	I(1)
XM	۲/۲۳۱	-۱/۲۳۶	I(1)	-۱/۳۲۶	-۴/۲۳۶	I(1)
EF	۱/۳۲۶	-۳/۳۶۲	I(1)	-۱/۵۹۸	-۲/۴۵۲	I(1)

Source: author calculations

Given structural changes occurred during the period of study, including the Islamic Revolution in Iran, the war and the implementation of structural adjustment policies in the economic data are very high probability of failure. Since the standard unit root tests ADF and PP tests, such as the possible failure of the process variables in the test process is not basis for a closer look using the unit root test Zivot Andrews (1992) with respect to a structural failure of zivot and andrews endogenous root test Lumsdaine -papell (1997) with respect to the structural failure of collective endogenous variables were reviewed. As shown in Table (2) is visible, the test results show that the coefficient ZA GDP, the ratio of private investment to public investment, the ratio of export to import as relying on domestic production and labor productivity, with an emphasis The labor force in terms of a structural break with the significant level of 5% are stationary and are a mass of zero. While complying with variable test results LP GDP, the ratio of exports to imports as relying on domestic production and labor productivity within the workforce with an emphasis on the endogenous losses in reliability level.



Table t: results of zivot and andrews Lumsdaine -papell test

varibale	ZA test				LP test				
	TB _{ZA}	Lag	t _{ZA}	result	TB _{1LP}	TB _{2LP}	Lag	t _{LP}	result
GDP	۱۳۸۱	(۳)	-۷/۵.**	I(0)	۱۳۶۷	۱۳۷۱	(۲)	-۸/۲۱**	I(0)
IR	۱۳۶۳	(۱)	-۵/۱۵**	I(0)	۱۳۵۹	۱۳۶۳	(۲)	-۶/۱۴	I(1)
YR	۱۳۷۳	(۱)	-۲/۶۴	I(1)	۱۳۵۹	۱۳۷۹	(۲)	-۵/۶۴	I(1)
I	۱۳۶۷	(۳)	-۴/۰۴	I(1)	۱۳۵۵	۱۳۶۷	(۲)	-۵/۵۰	I(1)
XM	۱۳۷۰	(۱)	-۵/۸.***	I(0)	۱۳۵۶	۱۳۶۸	(۲)	-۶/۹۴**	I(0)
EF	۱۳۸۲	(۱)	-۵/۷.***	I(0)	۱۳۵۸	۱۳۸۲	(۲)	-۸/۲۶***	I(0)

Source: author findings - critical values at probability level 1, 5 and 10% by Zivot and Andrews is 5.75, 5.08 and 4.82. The critical values at 1, 5 and 10% by Lumsdaine -papell is 7.34, 6.82 and 6.49. ***, ** And * means rejecting the null hypothesis at 1%, 5% and 10% respectively

4-2. short- and long-term coefficients and ECM model

To estimate the long-term coefficients and to estimate short-term coefficient error correction coefficients of the equation, model (ARDL (2,0,0,0) as the optimum model is selected according to the SBC criteria. The results of this model in the long-term coefficients (3) is presented. The results presented show that the coefficients of the variables affecting the GDP, with an emphasis on long-term resistance economy was significant at 95% confidence level, the symptoms are expected and consistent with the theoretical foundations topic. Relations estimates indicate a negative correlation between the ratio of private investment to total public investment, private investment and the ratio of exports to imports in GDP is as lean production, with an increase in oil prices, as a of production in the country, increased production costs and, consequently, increase the price of imported goods and on the other hand due to the increase in oil revenues in oil exporting countries (about Iran) and increasing purchasing power and demand for goods consumption, leads to rising inflation in oil exporting countries to prevent imports (a direct function of income) from industrialized countries to increase, but at higher prices. The problem is that it increases inflation. On the other hand, because of the low level of competitiveness and a lack of proper infrastructure in the local economy and due to the government having the power of oil rent, the surplus oil revenues instead of investment in production the atmosphere in the short term of the rent for more profitable investing in other sectors, that this factor has caused the output gap in the economy and overburden economy falls. Expected inflation in the coming period and the uncertainty of the inflation rate in fueling inflation strongly influences and the uncertainty increases, investment in the manufacturing sector falling, and the country's production will



worsen. The negative sign of private sector investment in total government investment in the economy indicate that government investment in the private sector, which represents an essential step in the development of the economic rebound. The minus sign lags can be analyzed by looking at the trend of gross domestic product, real GDP growth rate of Islamic Revolution of Iran in previous years due to the influx of oil revenues, the rate is positive and significant. But the Islamic Revolution and the subsequent war and economic sanctions restricting Iran's economic relations with the rest of the world followed, causing economic growth in those years, a sharp drop and negative rate experience. In the years after the war, continuing economic mismanagement, sanctions aside, do not let the Iranian economy, the growth rate is good. During the period under review, inflation is always positive and full swing and the more years of double-digit peak in the mid-seventies and is also due to economic restructuring policies by the government of the time. Population growth rates, after record 3.93% in 1985, a decreasing trend has been almost stable. Foreign direct investment, public and private sector (% of GDP), with the exception of the years before the revolution and the first half of the eighties, small and non-significant. Statistics, trade volume and proportion of exports over imports after its heyday in the years before the Islamic Revolution to the end of the war has been a dramatic decline. After the war, the structural weakness of the manufacturing sector in the intensification of economic sanctions (restriction of oil and non-oil exports, as well as reducing imports of intermediate goods), increasing demand due to population growth and inflation rates uninhibited young, consequential than the rise of imports (consumer goods) to bring Iran's economy to load. Therefore, economic growth and investment, public and private sector as well as the ratio of exports over imports in our country do not move along. It seems that the establishment of appropriate theoretical relationship between the variables discussed in our country, rather than by the interim government's economic policies have been subject to major changes in the structure of political and economic conditions. Also, look at the sign variables GDP ratio to GNP as relying on the inside as well as labor productivity, with an emphasis on the long-term labor can be concluded that reliance on the educated work force in terms of sanctions and the emphasizing the resistance economy helped to increase the country's GDP. The years of revolution and war dummy variable is statistically significant at a confidence level of 1% and a mark is expected. The negative sign of the coefficient indicates that in addition to economic factors, conditions and environmental factors also contribute to the GDP.



Table 3. Estimated model long-term coefficients
ARDL(2,0,0,0)

variables	coefficients	t statistics	probability
GDP(-1)	-۰/۳۴۸	-۲/۱۷۵	۰/۰۳۶
IR	-۰/۳۵۳	-۲/۳۳۶	۰/۰۲۵
YR	۰/۰۶۷	۱/۳۵۳	۰/۰۴۵
I	-۰/۲۳۶	-۱/۷۰۲	۰/۰۵۸
XM	-۰/۳۲۰۰۴۸	-۳/۴۶۱۳۷۵	۰/۰۰۱
EF	۴/۳۸۳۰۴۸	۲/۹۶۵۷۵۷	۰/۰۰۶
C	۱/۲۳۹	۳/۵۸۴	۰/۰۴۰
DU	-۰/۱۲۵	-۱/۹۴۲	۰/۰۰۰

Source: author findings

DUE: Iran-Iraq War dummy variable, C: intercept

Based on the results of the error correction model shown in Table 4, symbols of variables in the short term negative impact on the GDP, which is fully in line with the results and the predicted increase in GDP emphasizing the resistance economy needs time to reach its target. The most important factor error correction model error correction term (ECMt-1), which is the speed of adjustment in the imbalances. As you can see, this is a significant factor and has a negative sign. This means that if we move from one period to the next, 40% of the GDP deviation from its long-term path correction by the variables of the model in a period. So, moving towards equilibrium occurs at relatively low speed.



Table. Model coefficients short-term ARDL(2,0,0,0)

variables	coefficient	t statistics	probabili ty
GDP(-1)	۰/۳۵۰	۲/۳۱۲	۰/۰۲۷
IR	-۰/۰۸۰	-۱/۶۲۵	۰/۱۱۳
YR	-۰/۲۵۱	-۱/۴۰۰	/۱۷۰
I	-۰/۸۲۳۸۰۰	-۴/۷۵۳۵۲۸	۰/۰۰۰
XM	-۰/۴۶۲۳۸۰	-۳/۳۷۵۶۵۷	۰/۰۰۲
EF	-۰/۳۲۰۰۴۸	-۳/۴۶۱۳۷۵	۰/۰۰۱
Δ DU	-۰/۲۳۷	-۲/۳۴۰	۰/۰۲۵
Δ C	۰/۰۰۲	۰/۱۰۰	۰/۰۲۰
ECM _{t-1}	-۰/۴۰۶۵۳	-۶/۹۰۹۵	۰/۰۰۰

F-stat. F(7, 30) 6.836839 R-Squared: 0.43
[.000]
Schwarz Bayesian Criterion: -0.297534
Akaike Info. Criterion: -0.553466
DW-statistic: 2.079693
Source: author findings
DUE: Iran-Iraq War dummy variable, C: intercept
‘first order differentiation Δ

4-3. Diagnostic tests

In order to ensure the validity of the results of the estimated model, self-diagnostic tests for serial correlation and heteroscedasticity for the remainder of the pattern (ARDL (2,0,0,0 were investigated. As the results of diagnostic tests in Table (5) shows the pattern of the estimated variance anisotropy and serial correlation is that the accuracy of estimates refer..

**Table 5: results of the diagnostic model**

Diagnostic tests	Statistic test	
	LM Version	F Version
Autocorrelation series test	CHSQ(1)= 2.4851[.115]	F(1, 27)= 1.8893[.181]
heteroscedasticity	CHSQ(1)= 2.4035[.121]	F 1, 36)= 2.4308[.128]

.The numbers in brackets represent the p-value

5. Conclusion:

Resistance economy implies that the economic pressures and shocks that impede the progress of society should be eliminated, especially if they are on part of hostile forces and political reasons. That in such circumstances the introduction of resistance economy and economic power is a clever shortcut economy. Such perception of resistance economy has made it to be a model for reaching economic stability beyond the borders of Iran. With the implementation of the general policies of Article 44 of the people's economy and empowering the private sector, reduce dependence on oil, managing consumption, maximum use of time, resources and move on schedule and avoid sudden changes in laws and policies are major factors in it causes for the failure of the Iranian economy on its way to deal with sanctions and resistance can be derailed. The resistance economy to reduce dependence and emphasize the advantages of production and all-round efforts to become self-sufficient. Given the special condition of the country and the need to confront the threat of international sanctions and under ideal conditions into opportunities by identifying strengths and weaknesses of the country, following are necessary to reach resistance economy.

- To taking serious actions by foreign policy officials regarding the use of all means and in consultation with the political elite for the past thirty years out of the difficulties ahead, and at least reduce the pressure of sanctions, while accurate information, true leaders see their country's decision .

- The protection of domestic production and increased efficiency to reduce cost of production.

- The actual use of the private sector in various economic for regulating relations between consumers and producers.

- Facilitate financing through the capital market, given the undeniable role of capital markets in financing companies.

- To formulate fiscal and monetary policies and stable in order to meet the objectives of resistance economy.