

The role of finance as strategy in realizing and sustaining economic growth in Iran

amin akbarzadeh

mosayeb pahlavani

seyed hosein mirjalili

Abstract

In this paper, we examined the effects of financing on various activities of Iran's economy using an input-output table. To this end, the input-output table of 2017 used and by applying modern methods of input-output analysis, the relationship between financing activity and other activities measured. In the new approach, hypothetical extraction and field of influence approaches were used, from which we find different results. For the hypothetical method, the results indicated that banking and financial institutions have the greatest impact on themselves. After that, in the second level, the non-residential construction activity and in the third level, the administrative and supportive activities are affected by the banking finance. However, the results of the field of influence method indicated that the banking activity has the most influence on the wholesale and retail activity, and the strength and weakness of financing, make more changes in this activity. After that, in the second level, the manufacturing of chemical materials and products is located. In the third level, the crude oil and natural gas extraction lies in the ranking of the field of influence.

Keywords: *Financing, Hypothetical Extraction, field of Influence, Growth strategy*

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