

The Origins of Inflation in Tunisia

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Abstract : Our aim in this paper is to identify the origins of inflation in Tunisia on the period from 1988 to 2018. In order to estimate the model, an ARDL methodology is used. We studied also the effect of informal economy on inflation. Indeed, we estimated the size of the informal economy in Tunisia based on Gutmann method. The results showed that there are three main origins of inflation. In fact, the first origin is the fiscal policy adopted by Tunisia, particularly after revolution. The second origin is the increase of monetary variables. Finally, informal economy played an important role in inflation.

Keywords : inflation, consumer price index, informal, gutmann method, ARDL model

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