

The impact of unemployment rate to inflation rate in Sri Lanka

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Abstract

This paper examines about the unemployment rate responsiveness to the inflation rate expansion occurring during 1990-2017. The problem of this research is how impact unemployment rate to inflation rate in Sri Lanka? The objective of this study is to identify the impact of unemployment rate to inflation rate in Sri Lanka. Simple regression uses for measuring the impact of unemployment rate to inflation rate in Sri Lanka. SPSS software is used for calculating simple regression. Secondary data which has been collected from Central bank reports and department of census and statistics reports has been used for this survey. According to regression equation when increasing unemployment rate, increasing inflation rate in Sri Lanka. The unemployment rate of Sri Lanka 38.2 present affect to the inflation rate of Sri Lanka. Pearson correlation value 0.618 is less than 0.75. Therefore, this correlation is positive. But it is not strengthening. The regression equation is $Y = 3.008 + 0.725$

Keywords: *Inflation rate, Unemployment rate, Sri Lanka*

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