

### **Abstract**

*In this paper, the main hypothesis is a relationship between foreign direct investment (FDI) and economic freedom with economic growth. Pearson test was used to determine the level of significance among alternative hypotheses. The test indicated that there is a significant relationship between FDI and EG in 99% confidence level and there is no significant relationship between EF and EG. The real test of the regression through the " the reliability of remain sentence test " showed that remain sentence or model error is available at all levels and gather estimation and regression is true. Ryan-Joiner test is used for data fluorescence test. The results indicated a normal distribution of scattering data and their fluorescence. Dicke - Fuller unit root test was used to determine the validity and accuracy of the model (static) and results showed that the variables FDI, EG and EF, were consistent in the first order difference. T-Statistic showed that foreign direct investment (FDI) is effective in Iran's economic development in so far as an increase of one unit in FDI, economic development will increase with the size of 19.16211. R-squared value indicated that about 99 percent of the dependent variable (economic development) is explained by the independent variables model, which indicated the high explanatory power of the model. Durbin - Watson (DW) statistics confirmed the correlations in their default model between model components and high value of F statistics indicated the significant overall regression of the model.*

**Key words:** Foreign Direct Investment, Economic Freedom, Gross National Product