

Impact of Workers' Remittances on Poverty in Pakistan: A Time Series Analysis by Ardl

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Abstract : Poverty is one of the most important problems for any developing nation. Workers' remittances and investment plays a crucial role in development of any country by reducing the poverty level in Pakistan. This research studies the relationship between workers' remittances and poverty alleviation. It also focused the significant effect on poverty reduction. This study uses time series data for the period of 1972-2013. Autoregressive Distributed Lag (ARDL) Model and Error Correction (ECM) Model has been used in order to find out the long run and short run relationship between the worker's remittances and poverty level respectively. Thus, inflow of remittances showed the significant and negative impact on poverty level. Moreover, coefficient of error correction model explains the adjustment towards convergence and it has highly significant and negative value. According to this research, Policy makers should strongly focus on positive and effective policies to attract more remittances. JELCODE: JEL: J61

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