

Impact of Urbanization and Globalization on  
Poverty in Pakistan



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MS\_ECO-AF16-ID-019

## ABSTARCT

The objective of the current study is to investigate the impact of urbanization and globalization on poverty in Pakistan. The time series data is collected from World Development Indicator (WDI) website over the period from 1981-2017. The methodology is based on descriptive statistics, ADF unit root test and ARDL technique. The results of ARDL reveals that, Gross Domestic Product, Foreign Direct Investment and the interactive term of Urbanization and Globalization can reduce poverty, but Urbanization and Globalization solely cannot. The coefficient measuring joint impact of urbanization and globalization (Urb\*Glob) has the value as -1.0323, which shows that 1% increase can reduce poverty by -1.0323 units. Thus, there is negative and statistically significant relationship between the interactive term (Urb\*Glob) and poverty. The coefficient of GDP as -0.8775, shows that if there is 1% increase in GDP then poverty reduces by -0.8775 units. Thus, there is negative and statistically significant relationship between GDP and poverty. Coefficient value of urbanization 41.2700 shows that if there is 1% increase in urbanization then poverty increases by 41.2700 units. Thus, there is positive and statistically significant relationship between urbanization and poverty. The coefficient of FDI as -0.9877, shows that if there is 1% increase in globalization then poverty reduces by 0.9877 units. Thus, there is negative and statistically significant relationship between FDI and poverty. The coefficient value of CPI 0.3222, shows that if there is 1% increase in CPI then poverty increases by 0.3222 units. However, all independent variables are statistically significant at 5%.

**Keywords:** Urbanization, Globalization

## **CHAPTER NO. 1**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Poverty, a situation where one does not have sufficient money or material things. It exists when people are unable to satisfy their fundamental needs. In this context, the identifiable evidence of needy individuals first of all calls for an assurance of what constitutes basic needs. These may be characterized as slightly as "those essential for survival" or as on large scale "those mirroring the prevailing standard of living in the network." First criterion might be spread just those individuals near the edge of starving or passing from creation; the second one might reach out to people whose sustenance, lodging, and clothing, but quality to guard lifestyles, do not make the grade regarding those of the population in well known. Poverty has been associated, for example, with weak point, low dimensions of training or ability, a non accomplishment or a reluctance to job, high charges of intricate or misdemeanor, and protection.

Poverty mitigation is the most endless issue confronting Pakistan, since its independence. The basic factors that make and sustain neediness include various measurements, pay disparity, joblessness or underemployment, deficient access to essential administrations and assets by poor people; discriminatory dispersion of advantages, innovation and financial chances; and immature framework. The tirelessness of neediness, in addition, mirrors the poor differing condition of weakness combined with hardship. The dejected contrast in financial, social, geographic, physical and different qualities with the goal that dependence on expanding salary alone isn't probably going to prompt supported poverty relief in the nation.numerous procedural

arrangements are required to measure poverty in Pakistan. The example of salary conveyance has declined. This difference in pay demonstrates that most minimal 20 percent of family units got just seven percent of wage share, twenty percent got most noteworthy always pay offer of 49.4 percent in 1996-97. Gazdar (1999), as indicated by a World Bank report titled "Province of Water Supply, Sanitation and Poverty in Pakistan" destitution in Pakistan has generally been higher in country than urban regions. Neediness climbed all the more pointedly in the country regions during the 1990s, and in 1999 the occurrence of rustic destitution (36.3 percent) was altogether higher than urban neediness (22.6 percent).

Due to globalization capital is divided all over the world, decrements in the Gross Domestic Product (GDP) improvement charge per unit is the speedy reason for the expansion in destitution throughout the fewest recently period of time. During 1990, production decrease in all segments and become slower than ordinary in hard work concentrated areas. Be that as it may, due to log jam in production might be divided into two categorize, for example primary and another, Poor administration is key basic reason for destitution in Pakistan. With the preceding being all the extra long haul inescapable problems, that have continued due to unskilled staff of management. Contrast the supplemental causes, the booming responsibility trouble and decrease strength of the Pakistan economy inside the indisputable ability based worldwide financial system are the maximum considerable. While the preceding occurred due to monetary botch, the closing become a right away end result of Pakistan's low dimension of human improvement.

Pakistan is standing at 136<sup>th</sup> number out of 177 nations in Human Development Index(HDI) while its neighbouring nation Sri Lanka is at 99<sup>th</sup> , India 128<sup>th</sup>, Bhutan 133 (UNDP, 2006) quite away from Pakistan. FAO (2005) index shows 20% of our absolute population is undernourished and 32.6% is neediness (2000-2002). Late standard of singular surviving in

poverty, which is 1\$ daily, recommends, seventeen percentage of the people was living below poverty line during 2005 though dependent on Rs 160 each day criterion, He make sense of remaining at 73.6 %, in extra of 2/3<sup>rd</sup> of the population (UNDP, 2006).

The report "Pakistan lives in poverty" by The Express Tribune (2016), concluded 38.8% of Pakistani's lie in poverty. Most of the country population (54.6%) lie in intense poverty while this division is just 9.4% in urban regions, it is necessary to make provincial erratic financial approaches. Between the territories, two-dimensional poverty is the most astounding in Baluchistan and less in Punjab. On the off chance that districts are likewise also, the Federally Administered Tribal Areas of Pakistan are the most known for poverty proportion, where out of each 4, 3 people are poor, FATA trailed by Baluchistan (71.1%), Khyber-Pakhtunkhwa (KPK), where half of the populace (49.3%) experiences intense poverty and hardship while in Sindh, 43% populace is amazingly poor because absence of instruction, wellbeing offices and poor expectations for everyday comforts. In Gilgit-Baltistan 43.3% individuals are poor. While in Punjab 30% and in AJK 40% people are poor. But K-P over a time oeriod of two years the poverty level remained nearly the same, in the other three regions the intense ruination level had fallen during 2012-13 to 2014-15 (Express Tribune, 2016).

Consequence of globalization on the quantity of poor, total development rates, and imbalance in creating nations included Pakistan. Globalization is certain to income negative humans if alternate modifications are actualized associated with diminishing barriers to paintings movability. Despite the fact that the idea of "globalization" is very expansive, it is centered around two viewpoints, universal exchange products and worldwide developments of capital, including outside speculation, portfolio streams, and help. The poor are sure to partake in the additions from globalization while there are correlative preparations installation. The

investigation on Colombia and India suggested that globalization was bound to earnings terrible people if change modifications were actualized associated with lessening hindrances to work portability. In Zambia, terrible ranchers are simply predicted to profit with the aid of more outstanding in the fare market who get admission at the off chance that those who were in addition specialized in skill, technique credit, and different corresponding assets of information. Fare evolution and approach outside project have diminished poverty. Poverty have decrease in districts while fares or remote project is developing. The majority of poor in liberalization areas are in the Mexico, have endured macroeconomic crisis superior to their progressively detached neighbors. In India, commencing up to faraway undertaking has been associated with a decline in poverty. Examination on Zambia proposes that terrible clients benefit from falling charges for the merchandise they buy,for their products even as negative makers in sending out segments profit in phrases of expert profession exchange thru extra steeply-priced fees. The expanding ship out movement in Columbia had been related with a selection in relation with the work enactment and fall in poverty.Incompetent experts In Poland—who're destined to be poor were taken from Poland had grown to the European Union (Wikipedia, n.d).

According to report "The Impact of Globalization on Economic Growth " Financial emergencies are expensive to poor people. In Indonesia, poverty rates expanded by at any rate 50 percent after the money emergency in 1997. While recuperation in Indonesia has been fast, the Mexican economy still can't seem to completely recoup from its 1995 peso emergency. Percentage of poverty in Mexico in the year 2000 were increased compare to last ten years. Cross country proof of the low wage nations additionally suggested monetary globalization efficient higher employment and product imbalance. One of the implications suggests that low wage nations are restricted to profit by budgetary combination in the event they moreover make dependable

foundations and are seeking from adjustment procedures of macroeconomics (utilizing the adaptable conversion scale routines). The far flung speculation streams have altogether special affects from distinct varieties of capital streams. While a higher opportunity of poverty results in unlimited capital streams, a lower poverty is related with outdoor direct hypothesis inflows. The fall in poverty affects of FDI are unmistakably recorded within the components on India and Mexico (Ying et al., 2018).

Effect of globalization on poverty through costs of creation and utilization products in many developing nations, compensations are not the essential wellspring of salary for the rustic poor. Balat and Porto (2004), ascertain that in Zambia wages represented just 6 percent of salary for the provincial poor in 1998. Subsequently, globalization could influence neediness by influencing the costs of merchandise devoured by poor people (the utilization channel) and merchandise created by poor people (the generation channel). Because of the sunshade of globalization, the fare dimension of an economy increments quickly. Creating nations have not profited by this in light of the fact that created nations have raised boundaries to sends out from the creating nations.

Developing nations like Pakistan remained confined to property which upset their intermixture around the worldwide marketplace. Conjecturally, development, some other primal rule under the globalization, in a manner at final meant to make the fare exhibit gainful with the aid of empowering argument, giving enterprise refining pleasant. Pakistan's offer on world product had declined. Advancement in imports then has been again a incessant process while a declining process are unmistakable in the goods in trade duty rate since the 1990 leads to these act imports empowerment. For a developing nation like Pakistan such arrangements have been demonstrated not to be helpful. Moreover the trade parity for the kingdom have broadened and various

neighborhood ventures had been harm amid the process. The impairment to the residential firms assorted with the ever-developing population had triggered the unemployment quotes to rise. The joblessness price has raised from an ordinary value of 3.5% amongst 1981-ninety to 6% in 2015 (Economic Survey 2014-2015).

A comprehensive technique of geologic between accessibility could be by using rail, ocean or land suggests or through regional financial gatherings is required. Pakistan is now setting up man or woman from Shanghai Cooperation Organization (SCO) Economic Cooperation Organization (ECO). South Asian Association for Regional Cooperation (SAARC), Shanghai Cooperation Organization (SCO), South Asian Free Trade Agreement (SAFTA), Summit in UFA Russia categorically decided to just accept India and Pakistan being complete participants of SAFTA, another landmark, of nearby connectivity for Pakistan is China Pakistan Economic Corridor (CPEC). However, these boards are required to be applied at their full potential. The CPEC would play a vital and vibrant position in this aspect. The Gwadar port which is a key project of CPEC, would be serving as a universal monetary interest hub and an addition to the present Chahbahar port in Iran. All the financial pursuits along with transportation of gasoline and oil to Central Asia might also carry through this sea route pushing Pakistan in an important role within the globe and surely affecting its members of the family with different nations (Irshad, 2015).

Economics liberalization is a procedure of substantial and amazing harmonization of household markets or economy with the universal markets or economy. Globalization is noteworthy for urban financial development and urbanization since this influence special portion of assets and makes special effects. Elements that influence designation of asset incorporate generally speaking population development and circulation, population conveyance among enormous and



little urban areas, correspondence and different innovations, scale economies and dis-economies of urban areas, modern piece, changing similar points of interest of urban communities, statistic variables, and pay development and dispersion. Thrust of globalization are related to innovative modification in transportation system and correspondence, diminished requirement for spacial nearness of firms and enterprises and expanded versatility of elements of creation. The joint effect of these progressions, are identified with new worldwide separation of work, expanded exchange and speculation, developing transnational interchanges and extending cross-outskirt conspire among organizations and businesses. The advantages of globalization incorporate spread of innovation and the executive's skill, proficient utilization of components of generation, extension of business sectors and more prominent open doors for riches creation. Globalization make urbanization in Pakistan solid and ought to be motivation to lessen poverty in Pakistan for long-keep running because of speculation increment in urban territory in Pakistan and lead to diminish poverty in urban population who straight forwardly impact on Pakistan economy.

Poverty and urbanization are monetary examples which have intending with styles a few humans may additionally discover exasperating. Poverty is the circumstance of being with out often connected with want, worry, and lack of belongings over a huge collection of conditions. Urbanization is the extension of a city in a metropolitan zone, to be particular the extent of absolute population or quarter in urban territories or zones. In this investigation we address the association between the two and if urbanization legitimately influences poverty. The percentage rate of urbanization all through time period is unmistakable from the rate of urban development, which is the rate at which the urban populace or territory increments in a existing period with respect to its very own magnitude toward the beginning of that period of time. As far as a topographical spot, urbanization means expanded spacial standard or potentially thickness of

colony or potentially business and different exercises in the region amid a particular time frame. This change could happen due to extension of populace and additionally development of the populace starting with one spot then onto the next. Regardless, urbanization effectively affects a locale and its economy. Urban sociologists trust that an individual's brain science and way of life change in a urban situation. one benefit of urbanization is increased access to assets like clean water and nourishment and part of occupations for taught and uneducated people groups appropriately manage of urbanization sway on poverty in decidedly term.

At the present circumstance, the urbanization development is expanding in Pakistan at the rate 3% consistently and as indicated by the report of "Joined Nations Population Division (JNPD), (2017) about half the population will reside in the urban areas of Pakistan by 2025. As indicated by this circumstance, the number of inhabitants in Lahore City is currently 7 million which will increment up to 10 million in future and likewise, the all-out populace of Karachi City is 13 million which will increment also up to 19 million, additionally, concurring the announcement of Shahid and Iqbal (2015), Pakistan is at the doorstep of significant statistic development, all around, money related joining is, as it were, related with success of duties of the World Trade Organization (WTO), on the scale of which Pakistan is at present quite behind. By the way of European Union Pakistan has been given a GSP+ status on which Pakistan has been given an unrestricted commercial enterprise attestation for seventy-five possessions. This regardless, has no longer had the potential to employ this reputation absolutely, for the reason that a wide-ranging part of its prerequisites have not but been fulfilled. Pakistan subsequently ought to consciousness on these prerequisites and try and grow its aspect to attain and markets to completely conflict within the all-inclusive social affairs. Pakistan's imports and exports is

starting at now obliged in possessions and markets just as in zones (basically Europe and America).

Urbanization is the expedient increment in the level of all out populace living in urban zones. Pakistan has encountered unprecedented pace of urban development, quick urbanization that has been energized by the scope of components, for example, financial need, decline in reliance on the agrarian part and frailty. For the most part, it proposes a rising change from horticultural towards distributive occupation and mechanical administration. Moreover, those word related chances and administrations go about as force factor, which advance provincial urban relocation and being responded through push factor, for example, inert economy, poverty, and catastrophic event.

Urbanizing patterns in contradict nations are generously not quite the same as mechanical urbanization of American or European. Though, the staggering urban populace development is a convoluted yield of the two elements 'push' and 'draw'. Inside the point of view of nations like Pakistan, existing condition of urbanization holds the double idea of difficulties and openings. Subsequently, urban communities which comprise of positive and negative extents and the positive greatness is consider as the center point of the financial improvement of a nation as far as correspondence and modernization. Both a reason and an final results of development, urbanization results in bring down generation prices and better profitability due to the agglomeration of individuals in a unmarried spot. Because urbanization is straight forwardly identified with development, it can likewise influence poverty.

Urban communities are agglomeration of mechanical exercises, monetary open doors just as present day, innovative headway, instructive and well being establishments that fuel dynamic

businesses and fast development. Jan and Iqbal (2008), out of 102 nations' positioning rundown of 1975, there are 12 nations that were put superior to Pakistan in 1975 and have gone behind it in 2007. Every one of these nations aside from Papua New Guinea (Oceania/Asia Pacific) are African, there were 17 nations that are positioned lower than Pakistan in 1975. Besides, none of them could perform superior to Pakistan, in 2007. Out of these 17 nations 15 are African and 2 are neighboring South Asian, 12 those nations whose information was not accessible in 1975 and are put behind Pakistan in 2007, 9 are African, 2 Asian and 1 North American. Out of 63 nations whose information was absent in 1975 and are set superior to anything Pakistan in 2007 incorporate 22 from Asian nations, 18 from European, 10 from African, 9 from North American, 3 from Oceania/Asia Pacific and 1 is from South America. In 1975, on world scale, 82.4% (84/102) states performed superior to anything Pakistan while it could perform superior to just 16.7% (17/102). In 2007, 76.3% (135/177) states performed superior to Pakistan while execution of 23.2% (41/177) was poor than it. Pakistan's exhibition improved by 6.5% in 32 years. This improvement is a direct result of consideration of various African states in estimation. In 1975, on Asian scale, 86.4% (19/22) nations performed superior to Pakistan while just 9.1 % (2/22) were behind it (Jan & Iqbal, 2008).

## 1.2 Problem Statement

Popper (2013), expressed that Poverty is a societal sick that no kingdom has so extreme battled as extreme as possible, making complete development in lightening penury and pleasing all people within the state and blessed with their pay off. Notwithstanding, a discourse of poverty is a profoundly questionable problem constantly related with diverse characteristics and modification, as being poverty is seen diversely in diverse category of the arena. While in the destitute international locations of Africa, South Asia poverty means having no domestic, no nourishment, and no get dressed all of the time, for Europeans, wretchedness is lots closer related to difficulty of overabundance joys and buys, for example, high priced devices, steeply-priced attire, and advanced staples. Globalization can negatively affect society and contribute towards expanded poverty in creating nations. Poverty of the creating nations is brought about by the fortune and misuse of the rich nations outside worldwide organizations are environment up their organizations in creating countries and removing business activity from the local investors. In this manner, since "multinationals find the majority of their benefits, proprietors, top chiefs, and innovative work exercises in their nations of origin" neighborhood organizations are leaving business and individuals are getting to be more unfortunate (Weede, 2000).

Jalal (1993), contended that it is commonly regular that quick populace development in urban region and stale creation are firmly related with the short unfold of intense poverty in severa nations of Asia". Both a reason and a consequence of advancement, urbanization prompts to carry down era prices and higher performance because of the agglomeration of individuals in a single spot. however urbanization is legitimately identified with development, it can likewise influence poverty. The effects of urbanization on neediness on the city size are extremely specific. As city groups create, emotional increments in assets charges are ordinary, because of

high populace in urban territory chance of occupations decline, offices of well being and instruction likewise decline. These markers prompts increment poverty in creating nations. This issue is expanding in many creating nations, including Pakistan. Along these lines, this examination might be useful for each one of those individuals who are exploring the urbanization and globalization sway on poverty in Pakistan. In this way, there must be immediate such examination on national measurement to investigate the impact of urbanization and globalization on poverty in Pakistan.

### **1.3 Research Questions**

The following is the research question of the current study.

1. What is simultaneous impact of urbanization and globalization on poverty in Pakistan.

## CHAPTER NO. 2

### **History of Urbanization and Globalization in Pakistan.**

This chapter takes a history of urbanization and globalization in Pakistan through the beam of the standard practice and suggest solution significant advance that are vital for Pakistan to make greater its improvement and neediness lower salary through globalization and urbanization. The whole framework is predicated on extended aptitude capacity ascending out of the standard task. All mutually for the goods of this framework to be commonly collective the awful require to consistently attempt to upgrade aptitudes and human being capital. This require an assortment of explicit mediation's with the guide of the lawmaking body. Focused inside the globalized world interest associations and methodologies. It calls for some other "lifestyle". Specifically, the examination prerequisites in order to stay competitive are Becoming step by step delicate. The need to amass care and accord in addition Requires system help. The test recognize the different domains for Government strategy hold up the exploration recognizes explicitly the need set up express social insurance web Policies so one can get the thought little of in gentle of reality that the method by method for description produce winner and calamities and the feebleness to cause certain the washouts to can develop the damage from the way just as break countrywide conviction and cause a reversal toward protectionism.

#### **2.1.1 Pakistan's Experience with Globalization:**

Hassan (2011), Globalization all things considered, will have sway on social, political, allowed and mechanical condition consequently, globalization will be well-characterized as a procedure of amalgamation of social orders of all nations truth be told, it is a procedure towards another financial request, a redundant world. Globalization has been characterized in more directs by

government officials, financial analyst and surely understood researchers from various field. Furthermore, they better depict it for their very personal consideration consequently it's one of the impressions that are understood mostly by numerous individuals in numerous sections of the world anyway don't recognize even the thought prevalently, individuals in sub-Saharan nations represented by tyrants and individuals who live mountain scopes of Pakistan and Asian countries. In spite of the fact that Pakistan transformed into one of the originator supporters of World Trade Organization (WTO), and also an initiator part in its past General Agreement on Trade and Tariff (GATT), individuals of Pakistan had been next to no discovered to globalization.

Mishra (2017), discussed WTO contracts have an immediate bearing on Pakistan tries, a few points of reference are vindicating the tariff edifice some development has been made however the highlight for change progression in the midst of the accompanying one to 3 years should be on tumbling demand scattering, extending straightforwardness, making indirect checks exchange fair, and finishing sever provisions in avoidance's. The Contract on Agriculture passes on extraordinary open doors for Protecting food and livelihood security and rural development opportunities through the task of singular goods and special protect mechanisms.

### **2.1.2 Challenges and significance of globalization in Pakistan**

Globalization and all the other especially monetary combine, gives the 2 shots and charges. Progressively noticeable monetary responsiveness, exterior straight assumption, and change of upgrades give capacity open ways to financial improvement. Encouraged exchange allow specialty among differing territories, enable this to make as in venture with their own one of a kind relative central components; it moreover develops the use choices of residents by giving



raised potential outcomes to buy product and organizations from exceptional universal areas. In such manner, it's miles basic to recollect that natural change is truly no longer a predicament where a couple of universal areas are champs and others are screw ups. Out of the blue, trade payback every nation as it upgrade the determinations the client and the character of things. In the event that engaged, it cuts losing cost and raise real income. It is in addition phenomenal to emphasize so as to regardless of what is fundamentally believed, "countries are in no degree in money related test with each other", or that "any of their major financial issues can be attributed to frustrations to fight on world markets" (Krugman, 1995).

Trask (2013), finished up "if the European economy progresses nicely, it need not be to the detriment of the United States; to be sure, in the event that anything an effective European economy is probably going to support the U.S. economy by giving it bigger markets and offering it products of prevalent quality at lower costs". Also, the evidence is astoundingly cemented that veritable GDP advancement is related principally to local skillfulness generation, not to alter of trade or to productivity with respect to financial specialist. "Despite the fact that world exchange is bigger than any time in recent memory, national expectations for everyday comforts are overwhelmingly controlled by local factors instead of by some challenge for world markets". Exchange is to a amazing volume static, at the same time as profitability, that's pushed with the aid of specialized alternate, is dynamic and therefore is fundamentally accountable for budgetary improvement. Along these lines, concentrating on incessant forcefulness may moreover start off rash singles out adjacent, similarly as worldwide procedures.

### **2.1.3 Opportunities**

Financial globalization has in like manner offered conceivable outcomes to developing countries in that it expands the range of their endeavor segments for charge and attracts exterior assets, which help development. Remote project is useful for an other of upgrades and potential, which extends productivity. Other helpful last aftereffects of globalization is further noteworthy extraordinary task among partnerships, which points of interest customers who approach objects at logically minor expenses. The people who increment the majority from sorted out exchange both made and developing nations are the majority of the time the least fortunate thinking about that they should purchase stock at logically reasonable costs, and along these follows have a superior desire for ordinary solaces. Due to sagacity, unconstrained trade might be seen as an indirect way to deal with reduce destitution (Burki, 2017).

As a matter of fact, while "organizing with the world economy is a unimaginable vehicle for advancement and neediness decline in making countries, it would be still progressively weighty if the rich countries further extended the straightforwardness of their own economies". We have to comprehend that various components, like substances and cultivating, which can give genuine new conceivable outcomes to developing universal areas, have never again been changed. Another domain of wonderful subject is related to included advancement privileges, consumption of antagonistic to removal practices, which seem to mistreat creators in making universal areas. Furthermore, while the measurements show that globalization passes on various open entryways in its way, it's far in like manner plain is charges for express components of the masses in nations which are fusing into the world financial framework (Deardorff and Stern, 2000).

#### **2.1.4 Trade Pakistan' Sector**

Pakistani assembling region become one of the profoundly ensured elements some of the growing international locations thru a mixture of high outdoor levy shape and quantitative boundaries. The size and spreading of toll rates have both an excess of elevated really. change inside the continuous years have liberally dwindled the most serious and standard assessment tax, restricted the dispersal and removed quantitative restrictions to bring down the counter charge inclination, fortify forceful and skilled endeavors and enable side interest in organizations wherein Pakistan has a close smidgen of breathing space. The best charge of duty which was 10% per annum earlier has been step by step diminish down and might be in addition diminished from the common size of 30% to 25% incredible July 2002 (Peters, 2015).

Due to trade sector in Pakistan like major trade like textile goods etc it's all leads to increase globalization in Pakistan, due to export raw material to developed countries Pakistan have play vital role in international trade system. Pakistan also member of WTO and big partner Chinese business communities. Pakistan also export sports goods to Portugal and other developed countries.

Pakistan's event similarly show that in the time of 1990s, significant trade progression was gone to by a customary frustration in the GDP improvement rate, from 6.1% during the 1980s to 4.5% in the 1990 equivalently, wide-going course of action assortments and inspirations to help remote theory did not quick any evidential augmentation in endeavor, independently from bigger interest in the backstage power area in during the 1990s in answer to an exceptionally perfect consolation bundle in detail, by and large speculation fizzled from about 19% of the GDP in 1989-90 (Bengali et al., 2003).

### **2.1.5 Globalization and Re-Industrialization:**

Regardless, at the contrary aspect, convincing voices start from at any charge quarters, which at a specific estimation are normally solid strategies to manage whole deal money related improvement. Completely, one is new institutionalize political money related framework and the second is new improvement and new change speculation. Pakistan textile industry suffer with old method of production and machinery due to trade barrier with developed countries Pakistan can import modern machinery, it's time to reindustrialized our industry . Another needs that government should improve sports industry because Pakistan sports goods famous all over the worlds. Especially football industry famous for all countries who are members of football union. In 1980 to 1990 Pakistan stile mill have part the backbone of Pakistan economy. Due to steel mill Pakistan trade off with developed countries manufacturing goods but last few years Pakistan steel mill facing very critical condition, in this time it's necessary to rebuild manufacture of steel mill. It should be possible only when Pakistan government import new heavy machinery and modern system of manufacturing by developed countries. It's should be occur only when Pakistan have to well managed trade system. Another industry who needs to rebuild with modern system of manufacturing is that Pakistan Wah factory recently Pakistan represent f16 in international business expo, who are manufacture with modern technologies, due to this achievement many developing country want to import f16 from Pakistan. If Pakistan successful to improve industry system through globalization it achievement can make Pakistan economy more power full and flexible.

### **2.1.6 Outside Investment Routine and Capital inflows:**

Despite the fact that these streams have expanded the dangers to beneficiary nations in type of outer instability and furthermore emphasize the disease impact the net advantages to creating nations can be augmented under the correct arrangement condition. Open money related markets have been related with higher development yet not to a similar degree as receptiveness to exchange (Haines, 2013).

Yearly FDI streams to creating nations presently sum to around multiple times the estimation of authority streams. Yet, the offer of Pakistan in all out private capital streams to creating nations has in actuality declined. Pakistan has deregulated cash related markets, exhibited full convertibility on present day record and partial convertibility on capital market, is scanning for after a market basically based versatile transformation scale methodology, and changed venture routine. Both outside direct and portfolio venture can stream in and out uninhibitedly with no limitations or earlier endorsement. Settlements and return of benefits, net income and capital can be made consequently by the approved sellers (Kazmi, 2005).

Pakistan's money related introduction since mix with the overall economy can be masterminded by a flood in GDP advancement rates, spoil in import commitments, a development in FDI all through the post 1988 time, a merciless augmentation in straightforwardness provoking a shriveling equality of portions condition and continued with a lot of neediness and joblessness, as globalization fuses exercises and pros of pretty much all the world's countries in the product similarly as in the organization part. There is prerequisite for a composed and solid imperativeness between the South Asian countries to grow trade the state Pakistan must spread its admissions base and move from fundamental plant product to more respect included and mechanical things (Naseem et al., 2010).

### **2.1.7 Information innovation and Communications:**

India and Israel were giving such workers in enormous numbers to the USA and the majority of the more noteworthy starting late to the EU countries. Pakistan has entered on this control past due and is starting to amass its exhibit. The Government has allowed an immense organization of forces for the improvement of programming passages and IT-enabled organizations. Private spot has expanded IT informative organizations basically. The present base is nearly nothing and thus it will take a significant broadened while of committed top notch works of art, mission and showcasing for making Pakistan IT industry and Pakistani IT school well known logo in the U.S. What's more prominent, European markets (Kreutzmann, 1995).

### **2.8 Urbanization**

Urbanization can expand generally thriving or produce blockage and lack of sanitization and broaden the pay differences with the provincial territories. The distraction with these incongruities can thusly endanger aggressiveness. Establishments, framework and motivating forces give the establishment to urbanization. China has effectively overseen both quick development and pace of urbanization by putting resources into all these three measurements. Then again some African nations have encountered urbanization without development (Kayani et al., 2012).

Masses improvement and web movement are the real powers behind urban advancement. Around one-fifth of the yearly climb in city populace can be attributed to net development. Colossal urban zones (with populace of 1 million or more prominent had a proposal in the outright populace of fifty rate in 1998 which now could have climbed to in any event 60 percent or extra. Urban regions contribute 80 level of GDP, almost the majority of the kingdom's cost

gaining, and record for 60 percent of the used work control. Urban neediness charge is exceptionally very nearly one bit of that the nation destitution charge (Qutub, 1986).

Per capita pay degrees and advancement costs have furthermore been decently higher in the Urban zones. Capability and Enrolment extents for the 2 people are in like manner higher. Notwithstanding those superb results, a superficial take a gander on the massive urban combinations in Pakistan that have been growing at three percent every 12 months does no longer supply an appealing photo. End-all techniques have been set up with tremendous exertion and at huge fees simply to be damaged of their reasonable packages or execution. Some place inside the scope of 35 and 50 percent of the urban populace in any case remain in Katchi Abadis (Mahar et al., 2007).

### **2.8.1 Migration from provincial zones**

Individuals from provincial zones move to urban zones looking for better instruction, better job offices and accessibility of various business openings the individuals who move for such reasons are fundamentally poor many are additionally hit by hard climatic changes, Such a relocation occurred at a more noteworthy range in North Karachi and in Lahore. Small areas or small city who are located in near to big cities the population of these cities moved from small city to big city like the population of Gujar Khan, Dina, Jhelum, moved to Rawalpindi purpose to get avail modern faculties of life resulting that population in big city growing day by day, and residential areas increase also in Rawalpindi. Some small cities or villages have not good law and order situation or feudal system, due to this reason the resident of this area move from rural area to urban area want to get better quality of life (Connell et al., 1976).

### **2.8.2 War and struggle**

Jan and Iqbal (2008), individuals in Pakistan are additionally confronting an incredible issue of war and fear in the inborn territories, Those who feel risky in such regions more often than not move towards urban zones to spare their lives and those of their friends and family Such relocations likewise influencing disposition of those psychological oppressor, for example, talibans such that they have likewise moved towards the urban areas, for example, Karachi in most recent couple of years. Moreover, imaginative, law based and serene methodology toward state-alliance relations/clashes may have turned away the carnage in previous East Pakistan and the consequent constrained movement of Bangalis in the year 1971. One may review here that when Pakistan was made on 14 august 1947, it comprised of East and West Pakistan. These were the two pieces of the state isolated by over a thousand mile of Indian domain. Be that as it may, the recently made state neglected to sustain and support and combine the nationhood in the two wings isolated by geology as well as by language, political culture and shifting degrees of political mindfulness. With its capital in Karachi and later in Islamabad close to the army city of Rawalpindi and convergence of military, mechanical, bureaucratic and money related influence in West Pakistan, the western wing rose as the bastion of all influence. Accordingly, obstruction against Islamabad and its style of administration expanded in the previous East Pakistan and it formed into a stormy political development for more noteworthy self-rule not long after the 1965 war with India.

### **2.8.3 Internal migration**

It occurs due to merger of adjoining areas. People move in adjoining areas for better opportunities, facilities, life style, migration could not be stopped or controlled by law as no one could be forced to do so because all the nationals have equal right to freely move and live wherever they want as there are no proper city boundaries so this merger is occurring easily. Be



that as it may, in a couple of developing notwithstanding created countries, recently, there had been signs and side effects of a trade inside the style of the masses circulation a long way from consideration in some enormous towns more like an increasingly extensive appropriation in medium-sized urban focuses. The other size of this rustic city transient surge shows itself inside the changing over work market situation inside the provincial monetary framework which loses the more prominent beneficial members of its work weight to the urban budgetary framework. This merger is increasing city size which is providing better life style and facilities to many people but in turn is increasing the burden of many urban facilities to be provided by the state such as law and order, health, education, energy supply and water supply. such an increasing urbanization is causing economic social and administrative issues for Pakistan. Finally, the paper focuses on three very distinctive small cities and discusses the impact of migration and emigration on their bodily and socioeconomic development; also the truth that even though the economy is ruled with the aid of the service provider instructions, the political strength rests firmly with the landed elite besides wherein the nation is the important landowner (Irfan et al., 1984).

#### **2.8.4 Diminishing reliance on Agriculture segment**

Because of diminished reliance on agribusiness division and expanding dependence on business segment individuals move towards urban regions, instructed individuals typically need to be occupant of city area so when a few individuals from family show signs of improvement training, they will in general move to urban areas, Also our administration puts more prominent accentuation on modern part which is going about as a fascination factor for some individuals. The manner that Pakistan is basically a rural nation can scarcely be denied. Country regions are the actual repository of poverty in Pakistan and horticulture is the principle motion on which the

large majority of provincial people depend for his or her career. Rustic poverty degrees are altogether better than urban dimensions in Pakistan. In any case, Pakistan is fundamentally an agribusiness based nation and patterns are moving individuals from horticulture to mechanical improvement and businesses are generally shaped in urban communities. This pattern is contributing towards urban advancement. Another reason urban population increase due to climate change Populace growth and urbanization for weather exchange. The framer in village area cannot get modern faculties for forming due to this reason former in Pakistan have very low income and they are discourage in agriculture system. They think to moved from rural area to urban area purpose of doing some other business in this way they improve our standard of life. In resulting that the population in urban area would increase and new cities developed due to growing population in urban sector.

### **2.8.5 Migration after autonomy**

Verkaaik (2004), investigated Pakistan was framed based on religious and social contrasts, which affected an immense all out number of uprooted individuals to move to Pakistan after opportunity, many moved because of religious causes and a lot other looking for their friends and family entry of such outcasts made issues for legislature of designating assets in provincial and urban territories and this brought about uneven circulation of assets across the country, while manufacturing in large metropolitan regions makes a specialty of offerings, studies and development, and non standardized manufacturing. The fees of immoderate awareness (site visitors injuries, health prices from exposure to high tiers of air and water pollutants, and time lost to long commutes) stem from the massive length of mega cities and underdeveloped institutions and human assets for city making plans and control. Alleviating excessively excessive city attention requires investments in inter-regional transport and telecommunications

to facilitate concentration of enterprise. It additionally requires financial de concentration, so that interior cities can enhance the financial assets and provide the services had to compete with primate towns for industry and population.

### **2.8.6 Unequal dispersion of assets.**

Ahmad (2013), finished up assets and not dispersed similarly all over Pakistan there is more prominent accentuation on supply of administrations and arrangement of different offices in the urban areas by government for advancement because of which there is better improvement of urban communities in Pakistan and furthermore better supply of assets, there is huge distinction among salary and way of life of rustic and urban inhabitant being pulled in by such assets and contrasts individuals move from country to urban zones, bringing about more noteworthy populace in urban communities and further unequal circulation of assets. Another reason is that unequal distribution of resources due to some political issues and parties system. when local bodies received budget amount from federal government they distribute only in which area where his supporter voter capacity is maximum. They ignores all others area who have not give any benefits to political parties, some small villages have not proper education system due this issue they are not properly aware from our rights. The unequal distribution of assets is the big reason peoples moved from village to urban areas.

### **2.8.7 Government arrangements**

Absence of government arrangements is one of central point which contributed towards urban improvement in Pakistan as there are no plans and spotlight on provincial advancement. Such that arrangement of appropriate schools, universities and colleges, absence of foundation, employments offices and numerous other household offices, Being pulled in by such factors individuals of Pakistan will in general move towards urban communities or the adjacent regions which posture genuine danger to financial and social improvement of urban communities. In backward areas government should not given proper school system 1965 to 1999 the huge population of backward areas moves to cities because they want to get well schooling system and high education also. Hospitals system in backward areas are very poor. People want to get proper health faculties and medicines on cheap prices. When people are not avail same faculties they move to urban areas. Another big reason is that government is not proper arrangement of jobs in backward area they suffer with high poverty due to this reason population in Pakistan move rural area to urban last decade. In all this situation government should arranged proper faculties in backward area hence the burden of urban areas will reduce (Banga, 2003).

### **2.8.9 Women movement**

Females in Pakistan are additionally moving towards urban communities because of numerous elements the relocation of ladies is of two kinds transitory movement and changeless movement, Permanent movement happens when a ladies needs to move for advancement of personal satisfaction for herself or for her kids, other sort brief is by those ladies who move just for a shorter time looking for better training of her kid. Ladies likewise move because of different factors because of abusive behavior at home, family emergency, monetary emergency or looking for occupation, by and large outcomes demonstrates that ladies move to improve life's quality

and to improve security of her life and her kids. Another factor is of sentiment of autonomous powers numerous ladies and makes headed to move towards urban communities measurements demonstrates that by 2030 portion of populace would be inhabitant of country and half of urban territories. In backward areas women have not proper rights for education, health ,and sports also due to this reason women's move from village to urban areas (Khoo, 1984).

#### **2.8.10 Negative landholding patterns**

The negative landholdings demonstrates that those having little land possessions will do relocation and those with more prominent land property for example more prominent than 13% for the most part don't move to huge urban areas.

#### **2.8.11 The area insightful conveyance of population**

Area of Sindh is most populated and expected that its populace will increment by 12% by 2030 current populace of Punjab is 31% and it is required to be half roughly by 2030, populace that of KPK (Khyber Palkhtun khawa) would be 41% and that of Baluchistan would ascend by 22% this demonstrates populace is unevenly conveyed in the various territories of Pakistan and is the primary driver of urban rustic issues (Ali et al., 2018).

#### **2.8.12 Population Growth**

Dwyer (2004), Rapidly expanding populace is one of the principle impediments in the method for supportable monetary advancement and a key determinant of ecological corruption for instance, propose that populace development brings condition weakening through improvement, for example, huge scale cultivating, urbanization and industrialization, populace development and the difference in way of life and innovation brings more regrettable sewage, in light of the way that the nature can't remain mindful of the treatment of the pollution.

Population development and human exercises influence water quality; be that as it may, suitable treatment works can dodge the crumbling of water quality consequently, it tends to be stated, that whether organizations control water contamination created by them, and whether urban areas have offices to treat local sewage, are influenced by human exercises, in creating nations like Pakistan, the offices of sanitation and cleanliness are accessible to constrained urban populace, An expected measure of 17.5 million tons of solid waste is delivered every year in Pakistan simply half is assembled and dumped in low-lying land without applying proper sterile procedures, rest is discarded at empty regions drains and sewerage framework to the extent waste water the board is concerned just couple of sewerage treatment frameworks exist, the untreated water streams into Stream Rivers and water system waterways. Government should provide proper waste system and water system in urban areas Population growth in Pakistan compare to another developing countries is greater than o All burden of population on urban area due to this reason urban are increase in Pakistan (Kemp and Rajiman, 2004).

### **2.8.13 Education**

Proportions of training as control factors in their separate setup. Subsequently, advanced education might be an essential for a higher interest of a perfect domain Furthermore, instruction is intermediary of human improvement that assume an indispensable job in financial improvement. Showed up in the neoclassical improvement model that human progression is both the delayed consequence of money related advancement and is also a commitment to it. Subsequently, human capital acquires huge centrality in choosing the component of financial advancement with respect to guidance, wellbeing and nourishment in the work and afterward likewise in current endogenous development hypotheses. Education system in backward areas are very poor there are no well school colleges also peoples want to get in backward areas high

education and contribute in Pakistan economy. while people are not get proper education system due to this reason they moved from village to urban areas it is the big reason in any developing countries to generate high level of population in urban areas (Torras, 1998).

#### **2.8.14 Conclusion:**

The extent of Pakistan's trade and budgetary fuse has raised in the midst of the nineties as it has unfurled its economy and sought after a continuously liberal substitute conventional. In any case, this size of incorporation continues to be some distance decrease than that finished by means of comparative growing countries. Despite this, conveys have selected a dissemination in the meantime as imports have declined in the midst of this period. In past tolls are for the greatest part base on cultivating fragment. Most presumably in any case cultivation office is god wellspring of profit age for Pakistan a flow towards created stock in the passage receptacle might be observed anyway the admission base continues being collected in more than one low regard included things, exceptionally texture and dress contraptions. In order to make due in this inexorably engaged condition, Pakistan wants to revamp its texture industry on bleeding edge strains while emphasizing the character of finished product. In such way, the management must execute common great gauges like ISO 9000 and ISO 14000 in the generation of cloth items. The correspondence innovation transformation additionally gets lifestyles economic system of Pakistan economy. Presently this enterprise is developing short and partaking in economic development. Anyway Pakistan want more and more out of doors direct challenge as it has diverse components which might be required improvement.

The observational proof demonstrates that no kingdom has developed to center pay repute without industrializing and urbanizing. None has advanced to excessive earnings without dynamic urban areas. Somewhere inside the range of 1980 and 1998, 86 percent of the

development in esteem included creating nations originated from the assembling and administrations part. Quick profitability picks up for the most part reflected upgrades in the business and administrations. Somewhere in the range of 1985 and 2005, The city population in growing provinces developed by using extra than eight. Three million in keeping with 12 months. With falling expenses of Transport and correspondence and a more prominent critical ability for manhandling scale economies, towns and solid regions have rise as extra and denser. These developments collectively with liberalization led to lower GDP growth, increased indebtedness, better unemployment and accordingly higher poverty occurrence at some stage in the duration of liberalization. This unfavorable final result is reflection of the truth that the us of a changed into asked via the IMF to cut its tariff fees unexpectedly before adopting to a new machine of domestic taxation. The structural adjustment programmes designed with the aid of the IMF/World Bank take the poverty as a residual trouble. Hence, earlier anti-poverty programmed in Pakistan reached a small fraction of the bad, in part because their overall length changed into limited and partially due to terrible focused on. Hostility of globalization process suggests a broader technique and allocation of greater funds for poverty discount. For future increase and poverty reduction techniques, the issue of accomplishing higher growth should be combined with usual sample of social progress and distribution.

Developing international locations had been given the primary duty to harness the potential blessings of globalization for the agricultural poor and to counter viable poor outcomes. They are advised to adopt appropriate structural and social measures that promote macro-economic balance important for monetary boom and poverty remedy. High-profits countries are entreated to assist those initiatives via accelerated resource, debt alleviation, experience exchanges e.G. On policy making and suitable governance, liberalized marketplace get admission to for



merchandise of significance to low-income nations, and improved sources for the fight towards communicable sicknesses. However, many low-income countries already face exquisite and frequently contradicting challenges in achieving poverty-remedy desires e.g. Implementation of education for all programmes with decreased government expenditure, or making sure sufficient profits-producing and employment possibilities for the rural negative without intervention in agricultural output costs or in funding allocation rules. We located large will increase in change flows as a end result. Economic growth is the primary channel via which globalization can have an effect on poverty. What researchers have found is that, in well-known, when nations confide in alternate, they generally tend to grow quicker and dwelling requirements have a tendency to increase.

globalization if the developing battle between international locations over home norms and the standardization of generation and practices. As standardized practices spread, they frequently conflict with the norms, values, and preferences of nations at one-of-a-kind levels of improvement. It is critical to apprehend this tension due to the fact social values and norms can dramatically form the way production approaches are accomplished on the domestic degree. Roderick argues that it's far important to take an man or woman technique when searching at commercial practices and the values that shape them before looking to blindly standardize the complete international marketplace.

Government should improve equality of income distribution and in rural and urban areas. The income distribution in rural area is not more sufficient compare to urban areas majority of resources divided in urban area because industrial sector is weak compare to agriculture sector, but last few years agriculture sector is also have bad condition reason is that government should not give subsidy to former like quota and sport prices frame discourage for framing and they

want to moved from rural region to urban region. Anothee explation of us urban system by Edward (1999), according to is assumption such as a use of income share to measure equity of distribution of income both sector urbanization and rural area equal divided by income this step leads to decrease burden of urbanization.

Globalization in Pakistan according to history, Pakistan is not much involved in trade liberalization due to bad political condition and foreign policies. Before and after WTO Pakistan is not able to access in international market due to method of production of goods is not most attractive, Pakistan export raw material and import final goods due to this reason balnce of payments disturb last few years. Modern technologies is not import from developed countries due to this reason urban area are not most developed compare to other countries. Barriers of trade are not vanished in neighbor countries like India due this reason Pakistan import most of goods in European countries there cost is more than his value. In Pakistan government should not arranged business expo due to this factor students have not generate new ideas and also not developed new small business.

Assets and not dispersed similarly all over Pakistan there is more important accentuation on supply of administrations and agreement of different offices in the urban areas by government for progression because of which there is better improvement of urban communities in Pakistan and furthermore better supply of resources, there is huge distinction among salary and way of life of rustic and urban resident being pulled in by such assets and contrast individuals move from country to urban zones, bringing about more noteworthy populace in urban community and further unequal circulation of assets.

Projections show a progressively fast procedure of urbanization could help help economic growth by expanding request among urban organizations and individual purchasers for increasingly rural items, which thus could contribute to poverty decrease in provincial regions. Most Malawians' employments are agro-based. Urban peoples chat with their circumstance. Urban individuals trade their condition through their usage of sustenance, vitality, water, and land. Additionally, consequently, the dirtied city surroundings impacts the prosperity and individual fulfillment of the urban populace. Urbanization influences the physical circumstance through the outcomes of the amount of people, their physical exercises and the improved demands on resources. Urbanization has horrible outcomes on wellbeing due by and large to toxins and pressed living conditions. It can in like manner set included weight sustenance supply structures. Urbanization furthermore empowers screen assets. Urbanization on saving arable land has an essential job. Urbanization is valuable for social and mechanical progression. Non-agrarian associations confident the town to have expanded task income and accelerating circumstances for improvement. Pakistan should improve globalization planning and also management of urbanization. History of urbanization and globalization tell us the countries who participate well they all get fruitful benefit with globalization. After independent in Pakistan the trade sector face many social issue like corruption and not balanced in democracy due to this issue the sector of urbanization in Pakistan faced lots of problems like employment, poverty, education system also. Another issue is that the tax and quota system is not attractive for foreign investor high tax rate discourage them. Refuges from Afghanistan and Bangladesh they all have right to small urban city for living and participate Pakistan development but all previous government ignore them due to this encouragement all of refuges burden on our economy and

also urban system. it is plausible and important that the proportion of the world population living in extreme poverty has probably. As the country urbanizes, there will be a growing need for investment in urban infrastructure and services, which require financial resources. Government should import new education system like online education system in this way urban population get more modern education and contribute to build progress in Pakistan economy. Urbanization local bodies system should allotment no on purchasing property, whoever resulting that footpath and parking place free from hawker. In this way government build up new industry and comfortable housing system . In Pakistan urban area increase day by day like Karachi population is about 3 billion, rural population attract to lived in urban area for better getting standard of life and getting better job. A system of incentives for local governments could encourage them to manage both their resources and reforms. For example, more financial transfers could be given to those local governments that successfully increase their own revenue and reach higher levels of efficiency. Pakistan might learn from two models used in other countries performance funding systems, and if the local government implements a defined range of reforms. Town or city councils offer offerings though their ability to attain this is every so often constrained. Outsourcing some services to the private quarter might assist, mainly in sectors where private zone involvement has tested to be cost powerful, consisting of squander series and avenue works. This ought to help neighborhood governments reduce their payrolls and dissimilar returning charges, growing the budgetary area for them to increase the amount of capital they could have left to invest. City councils may also recall leaving the provision of certain services, which include sanitation, to different existing institutions that can be higher perfect for the shipping of utilities and other city public items. This will allow them to play a necessary coordinate role in presenting the communications and services important for Malawi to mitigate the negative

possessions of urbanization and harness the positive outcomes of it. Pakistan will allow the use to gain the track of financial enhancement. Hence, green operation of home income is the principle position of the establishment. The establishment or the empire plays an crucial role in retaining peace law and order in the financial system thru powerful administrative gadget. The government make sure that globalization is candid and its gain are shared in a better method from side to side all in the subsequent conduct Government can also use swap and speculation limitations to protect the interest of its people. Government can discuss with WTO for fairer strategy and should improve trade sector as well as developed countries.

## **CHAPTER NO. 3**

### **LITERATURE REVIEW**

#### **3.1 Introduction**

The objective of the chapter is to examine prevailing research on impact of urbanization and globalization on poverty. In this chapter literature review, literature gap, and hypotheses of the current study will be discussed.

#### **3.2 Literature Review**

Riffat et al. (2016), concluded Pakistan is a poor nation and its economy is confronting numerous vacillations in regards to poverty because of globalization and urbanization. The serious issue in the nation is poverty, which is the primary driver of less worry in globalization and terrible structure of urbanization. Globalization is a strategy of significant and mind blowing blend of nearby markets and economy. Globalization is critical for urbanization and urban financial improvement since it impacts spatial task of benefits and makes spatial impacts like work level, access to innovation, collection and conveyance of assets. Variables that influence portion of asset incorporate by and large population and its structure development and conveyance, similar to population circulation among enormous and little urban communities, correspondence and different innovations, scale economies and dis-economies of urban communities, mechanical piece, changing relative points of interest of urban communities, statistic components, and salary development and dispersion. Utilized concurrent conditions to evaluate the connection of globalization and poverty in Pakistan, and its outcome demonstrates that the connection of exchange poverty Pakistan is portrayed by transformed U-shape. Prior to the mid 1990s,

exchange Globalization Pakistan declines the urban poverty, and after then it is valuable to urban poverty decrease.

Watchman (2014), explored that globalization has helped raise the way of life for some individuals overall Portugal. And yet, it brought about more profound results of poverty. The well off, "winning" organizations and nations can pitch their products and ventures to a worldwide market, while the less fortunate, "losing" nations and organizations are constrained to their nearby markets. Private ventures and underdeveloped nations are unequipped for refreshing their innovation as regularly as their bigger, wealthier partners, being unfit to contend with global firms of their own nation and of other wealthier countries. Thus these independent ventures compelled to work together locally. Because of which they are unfit to develop and accomplish their maximum capacity. The worldwide commercial center depends on a champ take all framework.

Ghafoor et al. (2014), cited the impact of financial globalization on destitution and irregularity in Pakistan by focusing on trade progression part of globalization. Consequences of Granger causality call attention to that exchange advancement has assumed a positive job on business age however has impacted per capita GDP. Generally speaking, results appear to propose that globalization while prompting decrease in poverty, has in the meantime exacerbated salary imbalance. In conclusion, it is fought that if Pakistan needs to receive greatest reward from financial globalization, it should be went with reception of expert poor development strategies which underlines interest in human improvement and give an assembly to social security nets for poor people.

Anwar (2002), talked about globalization's effect on poverty, "an instance of Pakistan" finds that globalization did not prompt poverty decrease in Pakistan amid 1990s, in spite of very alluring impetuses for remote financial specialists in Pakistan, outside venture has stayed low. The rehashed endeavors to balance out the economy together with globalization pushed the economy into an endless loop. The bringing of tax rates drove down to an impressive loss of income and brought about dormant assessment to GDP proportion and expanded need to slice improvement use to lessen the spending shortfall. The Government searched out that and increment total interest isn't an assurance of expanded wages and business. These improvements together with globalization lead to bring down GDP development, higher joblessness and accordingly higher poverty rate.

Daniels and Vanhoose (2011), inspected scientifically and experimentally the degree to which globalization influences the poverty in creating nations. Markers of exchange and budgetary receptiveness, and a 'globalization file' in view of main parts investigation, and test for both straight and nonlinear impacts, proposed the presence of a reversed U-shape connection among globalization and poverty. At low measurements, globalization seems to hurt poor people; anyway past a specific angle, it appears to decrease destitution – conceivably in mild of the truth that it incorporates with it recharged catalyst for changes.

Kourtellos (2011), discussed how globalization impacts poverty, required some investment arrangement information from in excess of 100 nations around the globe from 1988 to 2007. Utilizing a fixed-impact dependent on five-year midpoints and utilizing a long run first distinction relapse, found a negative connection among's globalization and poverty. Further inspected strength by independently examining the consequences for financial segments (exchange streams and exchange approaches) and globalization (data streams, individual contact



and social nearness) separately, controlling for development, training, expansion, urbanization, and government utilization. Results propose that liberal exchange confinements are powerfully adversely connected with poverty. While development diminishes poverty over the long haul, just a little piece of the poverty-lessening impact of globalization is intervened by means of development.

Afzal (2007), evaluated the globalization's effect on the poverty of Pakistan's economy for the period from 1960 to 2006. Globalization experimentally impacts the poverty by utilizing the exchange receptiveness and budgetary reconciliation measures other than other significant and pertinent macroeconomic variable. Johansen's cointegration methodology demonstrated that all the fore-referenced factors are cointegrated inferring these have long-run harmony association with poverty proxied by GDP. Mistake rectification model outcomes likewise bolstered the cointegration results. Exchange receptiveness and money related incorporation don't have short-run sway on poverty. Pakistan's economy will surely profit by globalization gave the nation seeks after sound strategies and this is inescapable.

Malik et.al (2011), investigated the negative effect regarding globalization on poverty in Pakistan during 1973-2009. Outside direct endeavor, interchange progression and individuals' settlements, measurements of globalization record were utilized as factors. Applying the Johansen's several co-coordination tests for brief run mistake adjustment model for long run investigation. Results affirmed that outside direct venture, individuals settlements and money related estimation of globalization are creating business potential outcomes not best to sum things up short run but rather additionally in long keep running in Pakistan. In the meantime as exchange transparency and social and political size of globalization adversely impacts the poverty.

Shahbaz et.al (2018), researched a sizzling issue in the impact of exchange globalization on poverty levels for the situation for Pakistan. Experimental confirmations on the connection among globalization and poverty through the utilization of Fully Modified Ordinary Least Square (FMOLS) for ECM (Error Correction Model) and long run parameters and for the for short run elements, to quantify globalization, utilized standard files of exchange receptiveness, money related transparency and open intercession in the nation while head-tally proportion for poverty estimation and, settlements and urbanization are viewed as control factors. Discoveries recommended that, exchange globalization cumulatively affects poverty decrease in long-run yet not in short keep running on account of Pakistan. Financial stuns influence the circumstance of poverty in the economy. Settlements decrease poverty drifts in long run yet not in limited capacity to focus time.

Nordin and Ojala (2018), utilized time arrangement information of 114 nations so as to inspect the connection among globalization and poverty. The creator utilized globalization, FDI (Foreign Direct Investment), joblessness taken as autonomous variable. Finds a greater negative association amongst globalization and poverty, strong to a few econometric determinations, including a fixed-impact board—a "long run" first distinction—and a pooled OLS relapse. Presenting two instruments for globalization likewise demonstrate that outcomes are strong to remedy for potential endogeneity. Data streams and progressively liberal exchange confinements powerfully associate with lower poverty and globalization and poverty.

Agusalim (2017), explored the dynamic effect of globalization on poverty in Indonesia. The information utilized was in fare import esteem, GDP, pay per capita, joblessness and poverty rate amid 1978-2015. The approach depended on VECM. The consequence of VECM validates that in short run, exchange responsiveness does not have any basic impact on neediness. Regardless,

in long run, it has important impact in declining destitution. Drive Response Function examination reasons that neediness gave a positive response in the underlying two years, anyway negative in the third to each trade responsiveness variable stagger. Destitution rate shows the best negative response in the fifth year. As shown by Forecast Error Variance Decomposition examination, trade openness does not give gigantic duty in affecting neediness in the midst of the underlying three years yet starts to show sway in the going with seventh year, with the best effect in the ninth year.

Xiaojuan (2002), assessed the effect of globalization on neediness and salary irregularity in Pakistan. Variables with the true objective that neediness, pay difference, business, globalization record, swapping scale, FDI, and CPI (Consumer Price Index). Used Standard Reduced Form Growth Regression model results total that globalization, FDI and masses are poor related with neediness and CPI is fine connected with edginess in long run and short run. On the off chance that Pakistan need to reduce disheartening there pressing need capable and well consider demand markdown standards to advancement globalization. Discovering features the significance of the correct mix of globalization and swapping scale approaches in cultivating development in creating nations like Pakistan in the currant condition of globalization.

Khan et al. (2011), examined the association among globalization and destitution in India. The variables trade headway, volume of trade as extent of GDP, head check extent for destitution and Gini-coefficient has been used. The granger causality framework is associated with time course of action data for the years 1970-2009. The results show that globalization has no gigantic effect on neediness and destitution has no effect on globalization. In any case, globalization has extended unevenness in the short-run and dissimilarity impacted the globalization as time goes

on antagonistically. Trade movement may be useful for the economy if it lead to diminish in pay dissimilarity.

Syed et al. (2010), investigated globalization's negative effect on poverty in Pakistan. The OLS procedure has been connected to time arrangement information for checked long run effect of globalization on poverty between the years 1980-2015. In spite of serious exchange advancement, Pakistan's exchange execution has been bleak. Development in imports was quicker than the development in fares with level of transparency which was more than required. This is essentially a direct result of the remote direct speculation (FDI). Which is a correlative prerequisite for exchange progression to be fruitful for advancement of fare. Which did not increment in consonance with the dimension of advancement in Pakistan. Resulting that if Pakistan increase export final goods and imports raw martial the Pakistan economy should be moved for better way.

Racket et al. (2003), analyze the association amongst the globalization and poverty in Pakistan. The far reaching idea of Granger causality was utilized to decide the heading of causation among globalization and monetary development. Confirmed by the methods of stationary properties of the time arrangement information and the outcomes pronounced that the poverty of the nation and globalization is non-stationary relationship. In addition, there are confirmations of long run positive linkages among poverty and globalization.

Hameed et al. (2012), acknowledged that impact of globalization on poverty and disparity through concentrating on trade advancement factor of globalization in Pakistan. By seeing yearly time gathering perceptions amid period from 1970-2004 for Pakistan, the philosophy depends on Vector Error Correction Model (VECM) and Granger causality testing. The consequences of

Granger causality test fundamentally bring up that exchange progression has assumed a positive job in business age yet has affected per capita GDP. In general, results appear to recommend that globalization while prompting decrease in poverty has in the meantime exacerbated pay imbalance. In conclusion, it is fought that if Pakistan needs to receive most extreme reward from financial globalization, it should be went with selection of professional poor development strategies which focus mainly on human improvement and also gave a structure to social welfare nets for poor people.

Naranpanawa (2010), discussed impact of globalization on poverty in Sri Lanka. In this have a look at, used as an in depth case study and a commutable popular equilibrium (CGE) approach is used as an analytical framework to observe the change-poverty nexus. The consequences propose that, liberalization of the producing industries is greater seasoned-poor than that of the rural industries. Overall, this have a look at shows that trade reforms may additionally widen the profits gap among the wealthy and the bad developing uneven profits across distinctive family agencies in Sri Lanka. While short-term complementary policies are had to compensate vulnerable earnings organizations, lengthy-term guidelines are had to make profits from trade liberalization greater inclusive and equitable to preserve economic and political balance in Sri Lanka.

Lee and Vivarelli (2006), clarified effect of globalization on poverty quantifiable meaning of globalization, expanding exchange transparency and FDI. Utilized the Johansen Cointegration for Long term dating and ECM ( Error Correction Model) for brief run. A trendy final results is that the hopeful Heckscher Ohlin Stolper-Samuelson expectations don't have any full-size bearing, this is neither work advent nor the decline in inside country disparity are certainly assured with the aid of expanding change and FDI. The different principle discoveries are that: 1)

the paintings impact may be extremely assorted in numerous areas of the arena, imparting ascend to focus and underestimation wonders; 2) increasing substitute and FDI do not upward push as the prime responsible parties of increasing inner country pay disparity, even though some evidence recommends that import of some capital products might also infer a diffusion in imbalance through ability one-sided mechanical trade; three) expanding trade seems to domesticate economic development and poverty easing.

Agenor (2002), explored systematically and observationally terms of exchange, well being and tutoring pointers, and the degree to which globalization impacts poverty. In starting with an individual pointer of exchange and money related transparency however depiction of different channels through which exchange additionally a "globalization record" in view of vital receptiveness and monetary incorporation may have an unfavorable parts examination, and tests for both straight and impact on poverty. In any case, likewise focuses on the nonlinear impacts. Conceivable non linearities included potential outcomes that have the outcomes propose the presence of a non-monotonic, only occasionally been perceived in the progressing banter. Finding that connection among globalization and afterward shows crosscountry relapses that relate poverty. At low dimensions, globalization seems to hurt the proportions of genuine and monetary reconciliation to poverty. Be that as it may, past a specific limit, it appears to diminish the relapses control for changes in salary per capita poverty-perhaps in light of the fact that it carries with it reestablished and yield development rates, just as different catalyst for change. Along these lines, globalization may hurt the poor macroeconomic and auxiliary factors, for example, the not on the grounds that it went excessively far, yet rather in light of the fact that it didn't expansion charge, changes in the genuine conversion standard and the go sufficiently far.

Wan et al. (2003), talked about China's ongoing increase to the WTO is required to quicken its incorporation into the world economy, which disturbs worries over the effect of globalization on poverty in China. In concentrate utilized China's globalization procedure and assessments a pay creating capacity, consolidating exchange and FDI factors. It at that point applies the recently created Shapely esteem deterioration to measure the commitment of globalization to local poverty. It is discovered that (a) globalization applies a diminishing effect on provincial poverty; (b) capital information and foundation are the biggest supporters of territorial poverty; and (c) privatization adjusts livelihoods crosswise over locales however its evening out effect has lessened since 1992.

Figini and Santarelli (2006), concluded a significant problem in the present discussion on monetary improvement the globalization's effect on poverty. In the stir of having talked about the issues identified with the definition and estimation of both poverty and globalization, play out a board investigation which adds to late writing by unequivocally thinking about poverty and by directing vigor examination regarding information, sources and measurements of globalization. To the extent poverty is concerned, both exchange receptiveness and the measure of the administration. appear to be related with lower poverty levels. On the other hand, money related transparency isn't connected to more poverty. As for poverty, exchange transparency does not influence it essentially, while powerless proof proposes that money related receptiveness and strategies went for decreasing the measure of the open mediation in the economy are connected to higher poverty.

Hussain (2009), discovered positive effect of globalization on salary poverty utilizing econometric time arrangement method form 1972-2005 in Pakistan. The creator utilized globalization, salary circulation, exchange transparency, FDI and settlements are taken as

exogenous factors. The outcomes are agreeable to the customary way of thinking that economy's openness into the worldwide market effectsly affects the poverty decrease. The procedure of the globalization can be useful for the economy, yet its tendency ought to be considered.

Chaudhry and Imran (2013), found that globalization decreasing poverty in Pakistan utilizing exact proof from time arrangement information investigation. The creator utilized exchange advancement, financial globalization, FDI, joblessness, disparity, remote settlements taken as exogenous factors. The trial evidence from time course of action backslide examination suggests that globalization decreases destitution anyway does not having quantifiably vital impact on all out neediness and pay lopsidedness in Pakistan in short-run. In long run, globalization has some strong ramifications for destitution and difference. Eventually, other control factors - outside settlements and gross capital course of action - are found verifiably immense and become uncommonly flexible in diminishing destitution and pay lopsidedness independently in the midst of the period in short-run. The results of study are assumed that globalization has mixed sort of effects on the lives of poor and lopsidedness in making countries.

Samimi and Jenatabadi (2014), tried the effect of fiscal globalization on destitution. Utilizing the summed up strategy for mins (GMM) estimator inside the arrangement of a dynamic time game plan certainties technique, give proof which recommends that monetary globalization has verifiably enormous impact on neediness in OIC countries. Finding exhibits that the impact of monetary globalization in like manner depends upon the kingdom's element of pay. High and center pay universal areas salary by utilizing globalization in the meantime as low-pay nations don't choose up from it. As a matter of fact, the nations should get the exact income stage to be benefitted through globalization. Money related globalization direct advances improvement notwithstanding by method for suggestion does in that capacity by means of quintessential



modifications. In any case, the coefficient evaluating the effect of the money related globalization on neediness turned out to be certain and huge, showing that fiscal globalization impacts monetary advancement of OIC nations in a magnificent manner. Second, the helpful last aftereffects of globalization on neediness is expanded in countries with extra improved amount of human capital and progressively significant cash related advancement. Finally, monetary globalization influences neediness, paying little heed to whether the impact is useful depends on the size of pay of each accumulating. The outcomes explain why a couple of universal areas were productive in globalizing worldwide and others never again.

Milanovic (2005), investigated effect of globalization on neediness in created and creating nations new actualities got without a moment's delay from family overviews are utilized to investigate the impacts of globalization on destitution. Looks on the effect of transparency (proxied through the proportion of progress to GDP ) and of direct outside subsidizing on destitution and salary dispersion. It discovers solid evidence that at low normal benefits degrees, the salary portion of the negative is littler in countries which can be additional open to substitute. As national benefits arranges upward push, the livelihoods of poor people and the center greatness rise in respect to the pay of the rich. Utilized Garanger Caustilty techniqe and show the outcome that in view of globlization destitution decrease and level of individuals profit increment. Less hindrance of exchange and duty relaxtion fortitude the financial specialist to make speculations his capital in creating countries.

Yaseen et.al (2016), explored the beneficial outcome of globalization on destitution in Pakistan in the midst of period from 1980 to 2012. The system relies upon ARDL Co-fuse test, botch amendment model and Augmented Dickey Fuller test at level and at first differentiation. The endogenous variable is human improvement list (HDI) taken as mediator for neediness while

exogenous elements appear to be, FDI, globalization, CPI and populace in investigate long run relationship. The outcomes demonstrate that FDI, globalization and masses are poor related with poverty and CPI is fine connected with poverty in long run and short run. In this manner, there is have to decrease poverty in Pakistan and furthermore build up the globalization.

Narayana (2010), concluded that globalization and urbanization is straightforwardly identified with one another globalization is significant for urbanization and urban monetary development since it influences spacial distribution of assets and makes spatial effects. Variables that influence designation of asset incorporate by and large population development and appropriation, population dissemination among huge and little urban areas, correspondence and different advancements, scale economies and dis-economies of urban communities, mechanical sythesis, changing similar points of interest of urban communities, statistic components, and salary development and dispersion globalization adds to intensity of urban areas and towns to draw in venture and business which, thus, adds to urban development .

Van and Letschert (2011), investigated that globalization is certainly connected to urbanization And contact after changing job and factors of kingdom and concrete nearby our bodies. Monetary globalization rise numbers of fascinating issues identifying with its estimation and effect on urbanization and urban development, for example, level of receptiveness to product exchange is one of the proportions of financial globalization. On the off chance that globalization happens, new innovation is imported from created nations and the expectations for everyday comforts of urban population improve, more employments and other present day offices are accessible. Therefore, rustic population move from provincial to urban zone.

Martinez and Torgler (2009), investigated that poverty level diminishes because of urbanization. They recommend hypothetical model a U-shape association among the dimension of poverty and urbanisation. Urbanization complements to poverty decrease thus far at a lot larger amounts, urbanization prompts increments in poverty. Experimentally, gauge the "ideal dimension" of urbanization by utilizing: (I) an instrumental variable methodology in the structure of the summed up technique for minutes (GMM) and (ii) a dynamic board investigation approach. They adjusted time arrangement informational index dependent on 143 states amid period from 1960 to 2005. The quantity of longitudinal perceptions shifts between arrangement of 6 to 9-timespans. Additionally research the heartiness of the effect of urbanization on the poverty level by looking at an assortment of transmission channels. The exact investigation covers various areas of the world to think about whether the extent of the urbanization impacts fluctuates crosswise over districts. The outcomes bolster the speculation that there exists a U-shape association between the dimension of poverty level and the urbanization.

Sekkat (2017), mentioned an critical problem for developing international locations particularly the interaction between urban awareness and poverty. It gives the estimation consequences of a gadget of equations that consists of poverty, city concentration and boom as dependent and explanatory variables, distinguishes poverty in urban areas. Overall, the outcomes display that the connection between city concentration and poverty entails three opposite outcomes. This is a direct impact by means of which city awareness increases poverty in each city and rural regions. An oblique effect with the aid of which city awareness reduces poverty in both areas: it fosters boom which translates in higher according to capita earnings which as a result decreases poverty in both areas. The net effect has been calculated through fixing the estimated system. It indicates that countrywide poverty could had been better without urban concentration. However, the

marginal contribution of city concentration is negative. The poverty gap between urban and rural is lower with urban awareness but gives a U-fashioned shape. The discount is better for low tiers of urban concentration and decrease for excessive tiers of city awareness. The turning point is around 25% of urban awareness.

Wang et al. (2016), examined the provincial and urban poverty of China by utilizing the strategy for poverty estimation and the China Health and Nutrition Survey data, finding that very nearly one-fifth of both urban and nation nuclear families show 3 multidimensional neediness appearances despite pay destitution. China's nation and urban destitution is significantly more lamentable than the compensation neediness rate declared by the National Statistical Bureau of China. The delayed consequence of crumbling by estimation exhibits that the duties of sanitation, medicinal inclusion and preparing direction over various estimations. The delayed consequence of breaking down by region demonstrates that the multidimensional destitution is most exceedingly horrible in Guizhou Province. Weakening by urban and commonplace zones reveals that urban multidimensional destitution is serious in Heilongjiang Province and Guangxi Autonomous Region. As such, China's neediness abatement and improvement guidelines should focus on recognizing multidimensional destitution and the contrasting neediness decline. Dorosh and Thurlow (2011), investigated high-quality impact of urbanization on poverty in Ethiopia. Economic implications of increased urbanization the usage of a rural–urban economic system-extensive model that explicitly captures inner migration and agglomeration outcomes. Simulation effects imply that extended urbanization might give a boost to monetary boom, improve rural welfare, and reduce the agricultural–urban divide. However, with out helping investments in urban areas, the welfare gains for poorer households remain small and concrete inequality worsens. At the same time, while allocating more public sources to city regions

encourages financial increase, it's far much less likely to advantage poor families' welfare. Indeed, even though an agriculture-oriented investment plan slows monetary growth, it is more effective at enhancing welfare for poorer families in each rural and urban areas. Conclude that combining reforms to overcome the limitations to internal migration together with increased funding in rural regions (even at the cost of urban investment) produces results most conducive to destiny financial development and structural transformation in Ethiopia.

Nguyen (2017), observed the link among urbanization and Poverty ASEAN (Association of South East Asian Nations) international locations for the period 1993-2014. The Granger causality take a look at and the regression estimation method with static and dynamic panel data FE (Fixed Effect), RE (Random Effect), Driscoll and Kraay, D-GMM (Generalized Method Of Moments) and PMG( Pooled Mean Group) were used. The sample consists of seven ASEAN nations: Brunei, Cambodia, Indonesia, Malaysia, Philippines, Thailand and Vietnam. The results show that at the least a causal relationship exists among urbanization and Poverty also urbanization positively impacts monetary growth. However, the connection between urbanization and Poverty is non-linear. The urbanization reaches a threshold after which it may hinder the economic increase. The envisioned threshold is sixty nine.99 percent for the static model and 67.94 percentage for the dynamic version.

Cali & Menon (2012), defined the impact of urbanization on poverty and rural poverty in India. High rate of urbanization and a high occurrence of poverty are two awesome functions of many developing countries. Using a big sample of Indian districts from the 1983 to 1999 duration, find that urbanization has a great and systematic poverty-decreasing impact inside the surrounding rural regions. The consequences obtained through an instrumental variable estimation endorse that this impact is causal in nature and is basically as a consequence of the superb spillovers of

urbanization at the economic system in place of to the movement of the agricultural negative to city regions. This rural poverty-decreasing effect of urbanization is often defined by increased demand for nearby agricultural products and, to a lesser extent, by urban-rural remittances, the rural land population ratio, and rural non-farm employment.

Sati et al. (2017), examined urbanization in Xichang City Administration (XCA) and its impact on poverty. Time series data on urbanization, poverty, CPI, and GNP use (1990–2010). Surveyed 110 households of selected urban area using purposive-random sampling method and framed a structured questionnaire on urbanization implications for them. Descriptive statistics, correlation and regression model was employed to analyze the data from 1990 to 2010. Along with urbanization, out-migration as well as medical and educational facilities has increased while agriculture and livestock activities have decreased. The study suggested that increase in urban area negative impact on poverty, also suggested that to lessen the impact of urbanization on poverty in rural areas, agricultural and its allied practices should be intensified to augment employment and reduce out-migration from the rural areas.

Chang et al. (2016), discussed multi-layer linear model, using the 2016 China Family Panel Studies (CFPS) database and provincial macro data. The variables of urbanization level, financial development level, rural family size, family population burden coefficient and family average age were selected to test the poverty reduction effect of urbanization. The results showed that from a macro perspective. The urbanization's effect on poverty was significantly negative, indicating that the improvement of urbanization level can effectively reduce poverty the improvement of fiscal support for agriculture is also encouraging for reducing poverty at rural level.

Richmond and Kaufmann (2006), reasoned that the urbanization quickly impacts destitution in urban encompassing region and furthermore provincial neediness, as it creates new potential outcomes for rustic workers, who move out of horticulture and into progressively gainful, non-ranch exercises inside the city. This reasons a convergence of money into the provincial areas, explicitly inside the state of settlements. Moreover, the movement of farming specialists into the city decreases the provincial diligent work supply, in this way developing rustic wages. In any case, urbanization additionally incorporates backhanded top notch results in provincial networks. The quick increment of urban communities moreover way a blast inside the call for of agrarian products and distinctive product from provincial locales, which encourages budgetary development and reduces destitution. The impacts of urbanization on neediness at the city degree are strikingly stand-out. As urban areas increment, emotional increments in resources costs are normal, which consistently uproots more unfortunate town-occupants who can not discover the cash for to live inside the area any longer. Maybe a standout amongst the most treacherous outcomes of urbanization on destitution, the relocation of low-profit city-tenants from their gatherings is ordinarily cultivated through a framework alluded to as improvement.

Liddle (2017), characterized the effect of urbanization on neediness in Brazil. The phase of urbanization has crossed 50 percent imprint, and about all future populace increment is anticipated to happen in urban communities. Urban communities are lopsidedly rich, yet are identified with destitution, as well. Tending to the twin difficulties of urbanization and destitution is critical to achieving maintainable advancement. This paper performs cross-sectional relapses, in view of Kuznets, as a begin line for skill the relationship among urbanization and neediness. Increments in GDP with regards to capita remarkably reduced neediness and limited rustic urban holes. By examination, levels of urbanization were both

inconsequential to neediness or disparity pointers and proportions of country city holes, or had a nonlinear impact where, regardless, development in urbanization moreover caused enhancements during the ones areas, while at better phases of urbanization which can blast urbanization exacerbated destitution and rustic urban holes.

Roy et al. (2016), explored the situation of urbanization on neediness while urban populace increments. Be that as it may, if the urbanization procedure is deciphered broadly to envelop urban money related blast notwithstanding populace blast, its commitment toward neediness decrease in submit-change Sri Lanka has been extremely imperative. Sri Lanka's long run advancement against neediness is obvious from our discoveries the utilization of measurements spreading over right around six numerous years from 1957 to 2012. The pattern declined in the countrywide frequency of neediness for our top line become 0.Sixty five% focuses in accordance with annum, gathering to an immense fall inside the destitution cost of extra than 35% elements. In proportionate expressions, neediness commonness declined on the charge of 1.Three% per annum. The extensive run neediness decrease is clear in every city and country districts and is better for the destitution hole and squared neediness opening records, reflecting benefits to the ones living admirably beneath the destitution line. Provincial neediness measures, that had been verifiably superior to for city zones, had been combining with urban measures throughout the years, and the (dispersion tricky) squared destitution opening file for urban territories of Sri Lanka that has overwhelmed that for country India in current years. There has been a stamped neediness because of urbanization in Sri Lanka over this period, from around one-in-eight of the negative dwelling in city locales in mid of twentieth century to the main in-three nowadays.

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Krugman, recommended urbanization all through the past couple of quite a while. Level of urbanization transformed into 34.2% in 1980 and came to seventy one% in 2010. The us of a furthermore decided an expansion in urban populace that swelled from 27% of by and large populace in 1970 to 71% in 2010. Huge increment of urban populace in a speedy range of time

makes various inconveniences together with high benefit of dwelling, wrongdoing, social inconvenience, ecological disintegration, joblessness and neediness. Along these lines, to address the issues, it's miles critically required to see the spot of terrible around the local area. Contrasts between awful zones, viability of exact applications just as plan and quality exercise of urban neediness rebate applications and rules.

Panudulkitti (2008), examined each hypothetically and observationally, the impact of urbanization level on neediness rebate in India. The hypothetical model speaks to a most beneficial degree of urbanization on foundation and salaries for poor people, with presumptions of moving corresponding imbalance. To assess the top-quality phase of urbanization, utilized Instrument Variable Approach inside the setting of the summed up strategy for minutes (GMM) for the human improvement list (destitution markdown) and the dynamic board GMM technique for a progression of the FGT (Foster Greer Thorbecke) record (master negative development). The watch likewise researches the vigor of the effect of the most beneficial urbanization level by method for looking at its impact on different essential channels of neediness markdown results. Results advocate that there might be the highest quality level phase of urbanization with powerful and factually full-estimate stage to advance neediness rebate. Besides, examine the effect of urbanization on neediness decrease results in unmistakable territories to look the changed extent of urbanization results among areas.

Nguyen et al. (2017), researched the urbanization and destitution have a - way pursuing. Utilizing consistent impacts relapse and time arrangement realities from urban family reviews, gauge the impact of urbanization on destitution and admission use of country families in Vietnam. In Vietnam, the urbanization technique has been going on the grounds that the mid 1900s. As indicated by the meaning of urban zones in Vietnam, there are suitable reasons of

urbanization in Vietnam. Right off the bat, rustic urban movement can expand the urban populace. Furthermore, a rustic area can turn into a urban area in the event that it has better populace and more prominent non-ranch fiscal exercises. During 2000-2009, the quantity of urban territories quickened from 649 to 753. It is discovered that a one rate development in urbanization results in a 0.54 percent blast in venture with capita pay and a zero.39 percent lower in neediness. What's more, a one rate figure blast urbanization empowers provincial family units decline the neediness rate by utilizing 0.17 rate point. A one rate blast in the level of urban masses of areas permits rustic family units increment their in accordance with capita salary by utilizing round zero.54 percent. Urbanization builds compensation. Be that as it may, the effect of urbanization on the likelihood of getting wages isn't factually extraordinary. Strikingly, urbanization will expand the opportunity of getting non-ranch business exercises (beside compensation work) and the likelihood of accepting exchanges. Generally speaking, investigation proposes that urbanization can be a urgent issue in developing profit and utilization consumption and diminishing destitution of provincial family units in Vietnam. This finding can offer significant ramifications for destitution decrease arrangements, specifically while the neediness decrease pace is moderate in the ongoing years. Additionally, for other developing nations, especially for a couple of Asian creating countries, comprising of the Philippines, Indonesia, Lao, and Cambodia, with a comparative money related shape as Vietnam, urbanization likewise can play a fundamental position in destitution rebate. Ravallion & Wagstaff (2012), evolved a easy version of urbanization of the negative in a growing united states of america. Under this version, situations were identified under which the poor urbanize faster than the non-negative, implying that the urban proportion of the poor is an growing convex characteristic of the city share of the population. Used Cross-sectional Regressions, based on

Kuznets, as a starting point for know-how the connection between urbanization and poverty/inequality signs. However, the estimated empirical model shows that the urban poverty fee rises slowly relative to the agricultural fee. It is expected that 60% of the negative will nevertheless stay in rural regions by the time half the population of the developing world lives in urban regions.

Ravallion and Wagstaff (2012), developed up an obvious rendition of urbanization of the negative in a developing kingdom. Under this variant, circumstances had been recognized underneath which the poor urbanize quicker than the non-terrible, proposing that the urban give of the poor is an expanding raised capacity of the urban give of the masses. Used Cross-sectional Regressions, in perspective on Kuznets, as a starting degree for understanding the relationship among urbanization and neediness/divergence markers. In any case, the assessed exact model suggests that the city destitution charge rises logically in regard to the common rate. It is foreseen that 60% of the negative can even now remain in commonplace zones while a monstrous part of the wide assortment of populace inside the developing scene lives in city domains.

Arouri et al. (2014), broke down urbanization and neediness have a - way relationship. Utilized consistent impacts relapse and board realities from family unit overviews, assessed that impact of urbanization on welfare and destitution of provincial families in Vietnam. Find that urbanization tends to development landlessness of rustic families and to decrease their ranch income. Nonetheless, urbanization permits provincial family units blast their wages and non-ranch livelihoods. As a final product, all out profit and admission consumption of rustic families will in general be raised with urbanization. At that point we find that urbanization furthermore encourages country family units bring down the use neediness charge, but at a little essentialness.

Khalid (2013), tended to crucial issue for developing nations explicitly the connection between urban mindfulness (depicted as agglomeration of people in huge urban areas) and neediness. It exhibits the estimation impacts of a machine of conditions that comprises of destitution, urban focus and increment as built up and logical factors, recognizes neediness in provincial and urban zones and lets in feed backs. Generally, the results demonstrate that the association among urban focus and neediness incorporates 3 inverse impacts. This is a quick effect by which urban mindfulness expands destitution in every city and provincial locales. A diagonal impact through which urban mindfulness decreases neediness in the two districts: it cultivates development which translates in higher with regards to capita benefits which, in flip, lessens destitution in the two regions. At long last, there is a remarks impact by methods for which better gap among rustic and solid destitution builds city mindfulness. The net impact has been processed by fixing the imagined gadget. It recommends that nation wide destitution may had been exceptional without city focus. Anyway the minor commitment of urban mindfulness is negative. The city-country neediness gap is lower with city fixation yet exhibits a U-molded shape. The markdown is higher for low scopes of city consideration and diminishing for extreme degrees of city consideration. The defining moment is around 25% of urban consideration.

Sadaq (2014), analyzed urbanization and desperation in Bangladesh used multi year time game plan data and used prosperity, preparing, cpi, business, free factor. Come about that urbanization is influenced on poverty in over all country, due to urbanization dejection decay on enormous scale business level is improve and training rate is in like manner improve. Du to urbanization living of stranded level is better then some previous years. Similarly as other differing Asian creating nations, an out of nowhere extending part of the majority of Bangladesh migrates to urban concentrations in mission for work possible results outside agribusiness in business

affiliations or the organizations zone. For the basic time in its history, the city individuals is getting to be snappier than the rustic masses, At the undefined time, the work control in non-agribusiness is ending up speedier than the endeavors control in agriculture. In any case, the work possible results in either quarter aren't developing accurately. This paper endeavors to dismember the rising upgrades and instances of urbanization in Bangladesh inside a dynamic twofold framework with a strong highlight on commonplace city development and the nice divisions.

The evaluation pinpoints, among different issues, the need to total useful points of confinement with a true objective to make adequate work and picking up for the rapidly making masses - explicitly inside the city areas. The improvement of proficient limits, that is a precondition for the introduction of powerful business potential results, is an essential part of possible destitution refund approach for Bangladesh as fittingly. Without mind blowing poverty decline it's miles unreasonable to consider possible urbanization on the likelihood of viable improvement criteria on this awful u . S .. Both for impartial normal manners of thinking and for the outcomes of natural harm for rising difference and dejection, this kind of system ought to in addition be earth down to earth finally. The providers, expressly the OECD/DAC countries, should give the huge money related sponsorship to this sort of down to earth and reasonable improvement strategy for Bangladesh (Sadaq, 2014).

### **3.3 Literature Gap**

In the literature and inconclusive empirical findings are a few reasons that have evoked the need for this empirical investigation. The current study contributes to the literature in three ways. First, it provides major evidence about the use of diverse independent variables urbanization, globalization, joint effect of urbanization and globalization, consumer price index (CPI), growth of gross domestic product (GGDP), foreign direct investment (FDI). That are impacting the poverty in case of Pakistan. Second, Naryan (2010), estimated joint impact of urbanization and globalization in India. Estimation results show that globalization is directly related to urbanization and joint impact of urbanization and globalization reduce poverty. As dynamic of India and Pakistan are same so the study will reveal what would be the effect on Pakistan of this joint impact.

### **3.4 Objectives:**

The objectives of the study are given here under as:

1. To investigate the simultaneous impact of globalization and urbanization on poverty in Pakistan.
2. To suggest policies for better management of globalization and urbanization in Pakistan.

### **3.5 Significance of the Study**

The current study is useful in many ways for investors and policy makers of Pakistan. Firstly, past studies discuss only effect of urbanization and globalization individually on poverty, while ignoring joint impact of urbanization and globalization. Furthermore, globalization, job availability, better standard of living and new technologies attracts people to big cities, by



increasing the returns to urban proximity. In addition, this study is an attempt to investigate the separate as well collective impact of urbanization and globalization on poverty in Pakistan.

### **3.6 Hypothesis**

The Hypothesis of study are as follows:

H<sub>0</sub>: There is no impact of urbanization on poverty in Pakistan.

H<sub>1</sub>: There is impact of urbanization on poverty in Pakistan.

H<sub>0</sub>: There is no impact of Globalization on poverty in Pakistan.

H<sub>1</sub>: There is impact of globalization on poverty in Pakistan.

H<sub>0</sub>: There is no joint impact of urbanization and globalization on poverty in Pakistan.

H<sub>1</sub>: There is joint impact of urbanization and globalization on poverty in Pakistan.

## CHAPTER NO. 4

### Theoretical Framework

Narayana (2010), clarified that globalization is verifiably connected to urbanization and call after changing over job and highlights of nation and solid neighborhood our bodies. Globalization raises numerous significant issues identifying with its size and impact on urbanization and solid blast, for example, level of receptiveness to product exchange is one of the proportions of money related globalization. If globalization occurs, new technology is imported from developed countries and the living standards of urban population improve, more jobs and other modern facilities are available. As a result, rural population migrate from rural to urban area. It further provides the employment opportunities for the poor masses as a result their income rises and ultimately increases their welfare. This situation leads to increase in consumption and higher utility level.

The consumer under certainty assumption, maximize consumption as a consequence of increased incomes and mitigation of poverty due to globalization and urbanization. Panudulkitti (2008), expect that the occurrence of poverty is a non-expanding capacity in urbanization, as in Ravallion (2001). In view of Kraay (2006), the investigation begins inferring the wellsprings of development that influence poverty. The life time utility under certainty, the consumption is this part of the study completely follows ( Panudulkitti, 2008).

$$\sum_{t=1}^T u(c_t) \quad \dot{U}(\bullet) > 0 \quad U''(\bullet) < 0 \quad (4.1)$$

Where  $u(\bullet)$  is the instantaneous utility function and  $C_t$  is consumption in period  $t$ .

Equation (2) indicate that the individual has beginning abundance of  $A_0$  and work wages of  $Y_1, Y_2, \dots, Y_T$  in the  $T$  times of his or her life; the individual takes these as given. In this manner the person's budget constraint is..

$$\sum_{t=1}^T c_t \leq A_0 + \sum_{t=1}^T y_t \quad (4.2)$$

Since the marginal utility of consumption is always positive, the individual satisfies the budget constraint with equality. The Lagrangian for his or her maximization problem is therefore:

$$L = \sum_{t=1}^T u(c_t) + \lambda(A_0 + \sum_{t=1}^T y_t - \sum_{t=1}^T c_t) \quad (4.3)$$

$$\dot{U}(c_t) = \lambda$$

The-marginal utility of consumption is constant and since the level of consumption uniquely determines its marginal utility, this means that consumption must be constant. Thus  $C_1=C_2=C_T$ .

Substituting this fact into the budget constraint yields

$$C_t = \frac{1}{T} \left( A_0 + \sum_{t=1}^T y_t \right) \quad \text{for all 't'} \quad (4.4)$$

Panudulkitti (2008), denote that an additive poverty measure  $P_t$  is expressed as:

$$P_t = \int_0^{H_t} f(y_t(p)) dp \quad (4.5)$$

where  $y(p)_t$  is the income of the  $p^{\text{th}}$  percentile of the income distribution at time  $t$  in which are showed as a function of average income,  $\mu_t$  is the fraction of the national

population below the poverty line,  $z$  (or the poor), and the non-increasing function of

Urbanization  $\left(\frac{dH_t}{dN} < 0\right)$  and  $f(y_t(p)) = \left(\frac{z - y_t(p)}{z}\right)^\theta$  is the Foster-Greer-Thorbecke index

where  $\theta$  is the aversion for poverty. Panudulkitti (2008) apply the Leibnitz's rule by differentiating the poverty measure in Equation (5) with respect to time, and then obtain the proportionate change in poverty.

## **Chapter 5**

### **Data and Methodology**

#### **5.1 Introduction**

In this chapter discuss methodology to conduct the study. The study will be conducted on the basis of time series data for period 1981-2017.

#### **5.2 Data Source**

In order to see the urbanization and globalization impact on poverty in Pakistan, a time series data for variables Foreign Direct Investment (FDI), Poverty (Headcount Ratio), Consumer Price Index (CPI), Growth Rate Of Gross Domestic Product (GGDP) and Urban Percentage (The index of urban percentage instrumentation that urban populace as a percentage of complete populace, is the extent of a nation's all out national populace that dwells in urban regions), is taken from World Development Indicator (WDI) between 1981 to 2017. Data of Globalization Index (GI) is taken from KOF (Swiss Economic Institute). Yaseen and Ishrat (2016), utilized Globalization Index, CPI as factors to discover the relationship of these factors with the destitution. Ahmed et al. (2018), utilized variable urbanization, FDI, GGDP and CPI to discover the connection of these factors with the destitution. Panudulkitti (2008), utilized urban percentage as factor in paper to gauge destitution.

## 5.3 Estimation Technique

### 5.3.1 Unit Root Test

First check the data whether it's miles reasonable or now not then we test the data and finish up the final product. For this progression we can check the stationery and non-stationery of the actualities. The fitting of the measurements correspondingly result the actualities should be stationary and we've completed the enlarged Dickey Fuller is the check to check the stationarity for the time arrangement assessment and the records from 1986 to 2015 it taken for the investigate.

There are assortments of tests, which can be typically used to test the stationarity of actualities and these checks had been applying for the various years. These check are as (a) Dickey Fuller (b) Augmented Dickey Fuller.

Initially talk the Dickey Fuller investigate.

### 5.3.2 Dickey-Fuller test:

Dickey and more full (1979), concocted a technique for the check of stationarity and non-stationarity. There is same importance of looking at by means of this methodology this is to test the non-stationarity and the procedure of unit root. Though the conspicuous check depends on the resulting condition:

AR (I) model is as

$$y_t = \phi y_{t-1} + \mu_t$$

Presently we have to test here is whether is equivalent or not rise to 1.

We can acquire an alternate increasingly advantageous variant of the test by subtracting from the two sides

$$y_t - y_{t-1} = \phi y_{t-1} - y_{t-1} + t$$

$$\Delta y_t - 1 = \alpha y_{t-1} + \mu_t$$

Where  $\alpha = (\phi - 1)$

Dickey furthermore informed unmistakable concerning relapse which might be set up to check the nearness of unit root check. The primary condition comprises of an ordinary inside the framework pf irregular walk around inside the accompanying condition.

$$\Delta y_t = \alpha_0 + \gamma y_{t-1} + \mu_t \quad (5.1)$$

As per the macroeconomics variable it is the outrageous case which is most significant in light of the fact that this procedure displays the pattern in the arrangement where  $\gamma = 0$

In second case the state of non-stochastic in the model as pursues:

$$\Delta y_{t-1} = \alpha_0 + \alpha_{2t} + \gamma y_{t-1} + \mu_t \quad (5.2)$$

The Dickey-Fuller check of stationary might be essentially as typical 't' test where the coefficients of mounted factors have legged charge  $Y_{t-1}$  a couple of the three of the styles. The investigate wear not have exact essential value much like the 't' test dispersion that is determined in any case by method for Dickey and Fuller.





### 5.3.3 Augmented Dickey-Fuller test:

Dickey and Fuller had expansion in their model which is the enlarged adaptation of past test that is known as increased Dickey Fuller test. There might be auto-relationship in the model for the past test so that there are more than one slacked terms in the model for the identification or to dispense with the auto-connection. These legged terms with the needy variable controlled by akaike model or Schwartz rule. These slacked lengths are utilized to identify the auto relationship or the end of auto-connection by utilizing LM test.

The three potential types of ADF test are given by the accompanying condition:

$$\Delta y_t = \gamma y_{t-1} + \sum_{i=1}^p \beta \Delta y_{t-i} - 1 + \mu_t \dots \dots \dots 5.3$$

$$\Delta y_t = \alpha_0 + \gamma y_{t-1} + \sum_{i=1}^p \Delta y_{t-i} - 1 + \mu_t \dots \dots \dots 5.4$$

$$\Delta y_t = \alpha_0 + \gamma y_{t-1} + \alpha_2 t + \sum_{i=1}^p \beta y_{t-i} + \mu_t \dots \dots \dots 5.5$$

The assurance and demonstrates their essence which is in like manner demonstrated through the qualification between 3 relapse. The cost of critical territory is indistinguishable from ADF and by the table which is determined by Dickey and Fuller.

The idea of dissemination helps that Dickey more full check based at the presumptions that there's steady change of mistakes timespan and it's far factually impartial. So before utilizing the increased Dickey Fuller investigate we ought to guarantee that they have unequivocally difference in ordinary structure and goofs terms are uncorrected .

Presently if the accumulation is stationary at stage the straightforward ordinary least square strategy might be executed related to the time arrangement examination which incorporate Johnson co-coordination and VECM to suggest an approach. In any case, in the event that the accumulation isn't stationary at level, at that point it may be that it needs to additionally be tried, wants to further separate in this circumstance on the essential contrast and if the majority of the arrangement are stationary toward the beginning refinement just the time arrangement examination which incorporates Johnson co-mix and VECM may be connected.

#### **5.3.4 Test for Co-integration:**

The typical least rectangular method is executed if the information shows the stationary at stage and on the off chance that there is non-stationarity at level stationary toward the starting qualification, at that point we can watch Johnson's co-combination test. While of a couple of variables are showing work area bound at level and the inverse are showing work area bound first and foremost contrast then we can use the vehicle backward dispensed slacked model.

Co-coordination at that point becomes the necessity of various kinds of econometric designs by means of the utilization of time series measurements with stationarity. The working of econometric is aimless if the issue of phony relapse exists inside the adaptation and the final product might be phony. Though on the off chance that there might be undoing of stochastic style, at that point there may be co-coordination investigate choose the co-incorporation inside the form. Measurably Johansen co-combination is called when after there has been a procedure of Soren Johansen for looking at co-incorporation of a few  $I(1)$  time series.

### 5.3.5 Error Correction Model:

As  $Y_t$  and  $X_t$  by definition is a co integrated  $U_t = I(0)$ . So that express the relation of  $Y_t$  and  $X_t$  with the error correction model specification as:

$$\Delta y_t = \alpha_o + b_1 \Delta X_t - \pi \mu_{t-1} + y_t \quad (5.6)$$

Where  $\pi$  signifies the administrator at the primary distinction,  $y_t$  is a blunders term which joins the both brief run and long haul data. In the above form  $b_1$  is the multiplier impact which is the short run effect which have the situation of halfway with a reason to trade the  $Y_t$ . The prevalent and remarks sway the above adaptation is signified by methods for  $\pi$  and it's far the indication of harmony condition and where the balance is rectified. It additionally recommends any type of change which wound up completed in the previous term of the modification of disequilibrium. For the redress of harmony or to push off the disequilibrium impact we use with a reason to be poor. Presently the essential underscore may be on the method of ECM and co combination. In the form given over the entire thing is stationarity the problem of false relapse emerges while there is utilization of time series data of non stationarity. By the conviction of co-reconciliation the trade  $X$  and  $Y$  has work area bound while they are thought to be  $I(0)$  factors and residuals from stage I.

### 5.3.6 ARDL Bounds tests for Cointegration.

So as to exactly dissect the extensive run connections and brief run dynamic communications the greater part of the factors of diversion (Poverty, Globalization, Urbanization, FDI, CPI, Urb\*Glob), practice the auto-backward distributed slack (ARDL) co-incorporation approach. The ARDL co-mix method transformed into cutting edge by Pesaran and Shin (1998) and Pesaran et al. (2001). It has 3 gifts in correlation with other going before and customary co-mix

strategies. The first is that the ARDL does never again need that every one the factors under analyze should be consolidated of the indistinguishable request and it could be executed while the underneath lying factors are joined of request one, request 0 or partially included. The 2d advantage is that the ARDL test is very additional green inside the instance of little and limited example measurements sizes. The end and 0.33 preferred position is that by methods for utilizing the ARDL system we secure fair gauges of the long run model (Harris and Sollis, 2003).

The limits investigate is extraordinarily founded on the joint F-measurement which its asymptotic conveyance is non-famous beneath the invalid theory of no co-mix. The initial phase in the ARDL limits approach is to assess the five conditions (1, 2, three, 4 and 5) with the guide of typical least squares (OLS). The estimation of the 5 conditions checks for the presence of a long-run pursuing a couple of the factors through participating in a F-investigate the joint centrality of the coefficients of the slacked degrees of the factors,  $H_0: b_{1i} = b_{2i} = b_{3i} = b_{4i} = b_{5i} = \text{zero}$  against the open door one :  $H_1: b_{1i} \neq b_{2i} \neq b_{3i} \neq b_{4i} \neq b_{5i} \neq \text{zero}$  for  $i= 1, 2, \text{three}, 4, \text{five}$ . We signify the F-measurement of the check which standardize on Y with the guide of FY (Y K, L, F, T). Two arrangements of essential qualities for a given importance degree might be chosen (Pesaran et al., 2001). The main level is determined on the possibility that every one factors covered in the ARDL model are consolidated of request zero, while the second is determined on the presumption that the factors are fused of request one. The invalid speculation of no co-reconciliation is rejected when the expense of the investigate measurement surpasses the top indispensable limits value, while it's miles standard if the F-measurement is decline than the lower limits cost. Different methodologies, the co-combination check is uncertain. The utilization of this system is guided by method for the short measurements length. We pick a most

extreme slack request of 2 for the restrictive ARDL vector blunders redress model by utilizing the use of the Akaike records measures (AIC).

### **5.3.7 Granger Causality Test**

Granger causality (G-causality) assessment displays a viable method for accomplishing this, with the guide of making sense of coordinated handy ("causal") cooperations from time-accumulation measurements. G-causality actualizes a measurable, prescient view of causality whereby causes go before, and help anticipate, their results. It is characterized in each the time and recurrence spaces, and it takes into consideration the molding out of ordinary causal impacts." (Seth and Barnett, 2015).

First checked certainties stationarity by method for unit root investigate if variable are not stationary on indistinguishable request of refinement for instance GDP stationary at level and neediness work area bound at first contrast at that point go for Granger Causality. Causality is eagerly connected with the idea of reason-and-effect. The long run seeking between the factors demonstrates that there's Granger-causality in as a base one course that is dictated by the F-measurement and the slacked goofs redress term. The short-run causal impact and is spoken to by method for the F-measurement at the illustrative factors in the meantime as the t-measurement at the coefficient of the slacked blunder redress term speaks to the long-run causal dating (Odhiambo, 2009; Kumar and Smyth, 2006). The condition where the invalid hypothesis of no cointegration is rejected is normal with a blunder rectification term (Narayan and Smyth, 2006; Morley, 2006). First we checked all variable are stationary at level if all variable are not stationary at level then we move granger causally.

### **5.3.8 CUSUM Test**

This framework produces combined total (CUSUM) control diagrams for. The arrangement of the control diagram is totally flexible. The data for the subgroups can be in a lone area or in various fragments. This technique permits the portraying of stages. Cusum tests assess the consistent quality of coefficients ( $\beta$ ) in a various straight backslide model of the structure . Derivation relies upon a progression of entireties, or aggregates of squares, of recursive residuals (standardized one-advance ahead measure bumbles) figured iteratively from settled sub trial of the data. An aggregate entirety (CUSUM) chart is a kind of control chart used to screen little moves in the process mean. It uses the aggregate whole of deviations from a target. The CUSUM chart plots the total entirety of deviations from the target for individual estimations or subgroup means. This strategy creates combined whole (CUSUM) control diagrams for. The association of the control graph is totally versatile. The data for the subgroups can be in a singular segment or in various sections. This strategy permits the portraying of stages. The target regard and sigma may be surveyed from the data (or a subset of the data), or a target regard and sigma may be entered genuinely. The CUSUM framework may be used for subgroup data, or for single recognitions at each time point. A snappy starting response (head start) may used by the CUSUM graph, at whatever point needed. Cusum tests assess the trustworthiness of coefficients ( $\beta$ ) in an alternate direct backslide model of the structure . Deduction relies upon a gathering of totals, or entireties of squares, of recursive residuals (organized one-advance ahead measure botches) figured iteratively from settled sub trial of the data. A total entirety (CUSUM) chart is a sort of control chart used to screen little moves in the process mean. It uses the total aggregate of deviations from a target. The CUSUM chart plots the combined aggregate of deviations from the goal for individual estimations or subgroup inferences.

### **5.3.9 Serial Correlation.**

Sequential connection is the connection between a variable and a slacked type of itself over uncommon time slack. Repeating structures regularly show sequential relationship while the element of a variable impacts its predetermination estimation. In cash, this connection is used by particular inspectors to decide how well the past estimation of a security predicts the predetermination cost. Sequential relationship is connected in estimations to depict the association among view of an equivalent variable over unequivocal interims. On the off hazard that a variable's sequential relationship is foreseen as 0, there is no connection, and all of the recognitions is independent of one another. Then again, if a variable's sequential relationship inclines toward one, the recognitions are sequentially related, and fate discernments are incited with the guide of past qualities. Essentially, a variable this is sequentially compared has an example and isn't sporadic. Mix-up terms arise when a rendition isn't in every case absolutely explicit and brings around differentiating results during genuine projects. At the point while slip-up terms from various (generally near to) interims (or cross-portion discernments) are compared, the botch time period is sequentially related. Sequential relationship occurs in time-course of action ponders when the mistakes related with a given period continue into future interims. For example, while anticipating the improvement of stock benefits, an overestimate in 365 days will actuate overestimates in succeeding years.

#### **5.3.10 Heteroskedasticity.**

Heteroskedasticity (or heteroscedasticity), in bits of knowledge, is the time when the standard missteps of a variable, examined over a particular proportion of time, are non-customary. With herteroskedasticity, the sign upon obvious assessment of the remaining mistakes is that they may in vogue fan out after some time. Heteroskedasticity consistently rises in two frameworks: prohibitive and unhindered. Unexpected heteroskedasticity perceives non steady volatility whilst

future times of high and infrequent precariousness can not be conspicuous. Boundless heteroskedasticity is connected when possibilities times of inordinate and low unconventionality might be distinguished.



#### 5.4 Econometric Model

On the basis of discussion with respect to link between poverty and dependent variables (GGDP, FDI, CPI, Urb, Glob, Urb\*Glob) specified the mathematical models of current study are given as under:

$$Pov_t = \beta_0 + \beta_1 GGDP_t + \beta_2 Urb_t + \beta_3 Glob_t + \beta_4 FDI_t + \beta_5 CPI_t + \beta_6 Urb*Glob_t + \epsilon_t \quad (5.7)$$

Where,

*Pov* = Poverty of Pakistan.

*GGDP* = Growth Rate of Gross Domestic Product of Pakistan

*Urb* = Urbanization in Pakistan.

*Glob* = Globalization of Pakistan.

*FDI* = Foreign Direct Investment of Pakistan.

*CPI* = Consumer Price Index of Pakistan.

*Urb\*Glob* = Interactive term of Urbanization and Globalization.

## 5.5 Description of Variables

Name	Variables	Description	Measure
<b>CPI</b>	Consumer Price Index	A Consumer Price Index measures adjustments inside the price level of marketplace container of consumer goods and services bought by methods for family units. Measurable gauge built the utilization of the costs of an example of expert articles whose charges are amassed occasionally.	Percentage
<b>GI</b>	Globalization Index	The KOF Index of Globalization comprises of the financial, social and political elements of globalization. Monetary globalization is measured by methods for the genuine progressions of exchange, and portfolio funding, as well as the limitations utilizing to these streams.	Percentage
<b>GGDP</b>	Growth Rate of Gross Domestic Product	Gross Domestic Product (GDP) measures the entire expense of absolute last things and contributions created inside a given u . S .'s fringes. It is the most acclaimed strategy of measuring an money related framework's yield and is in this way thought about a degree of the size of an economy.	Percentage
<b>Urb*Glob</b>	Interactive term of globalization and urbanization	Measure the joint impact of Urbanization and Globalization on destitution in Pakistan. A qualitative interplay among Urbanization and Globalization alludes to a situation where each the criticalness and course of each variable's effect can rely upon the expense of the alternative variable.	Percentage
<b>Urb</b>	Urbanization index	This index manner that urban populace as a percentage of general population is the proportion of a country total national population that is living in city regions.	Percentage

<b>FDI</b>	Foreign Direct Investment	Outside Direct Investment (FDI) shares measure the by and large level of direct financing at a given point in time, regularly the finish of 1/4 or of a year. The inward FDI stock is the cost of outside merchants' value in and web credits to associations inhabitant inside the revealing economy.	Percentage
<b>POV</b>	Poverty (Head Count Ratio)	The Head count ratio (HCR) is the portion of a populace that exists, or lives, underneath the neediness line. The Poverty headcount ratio at country wide destitution line (level of populace).	Percentage

## 5.6 CPI and Poverty

As per Adams and Levell (2014), proportions of changes in poverty certainly expect that value changes influence all families similarly. On the off chance that this suspicion fizzles, and swelling rates vary over the salary circulation, at that point customary investigations may over-or downplay changes in expectations for everyday comforts at various pieces of the pay dispersion. In this occurrence, official estimates will give an incorrect impression of patterns in the predominance of poverty. This is valid for both 'supreme' poverty measures (which mean to evaluate the quantity of people falling underneath a given way of life) and for 'relative' poverty measures, (for example, those including what number of individuals live in families with under 60% of the middle pay in some random year). Report investigations how value changes have influenced low-pay and high salary family units, thus considers the degree to which authority insights may have under-or exaggerated changes in poverty and pay imbalance.

## **5.7 FDI and Poverty**

As per Hoang et al. (2010), Foreign Direct Investment (FDI) as a wellspring of monetary improvement, modernization, pay development, work, thus poverty decrease. This is reflected by their presently sought after monetary arrangements, which is unequivocally expected to improve conditions to draw in FDI and to augment the advantages of the nearness of FDI in their residential economy. Since the Asian money related emergency in 1997, Indonesia has turned out to be considerably more liberal in its monetary arrangements to pull in more FDI to build its financial development and consequently (however not referenced expressly in authority approach proclamations) to ease poverty in the nation. FDI have been assumed a critical job in deciding monetary development and subsequently poverty decrease. FDI may affect poverty decrease basically through three different ways: (1) work concentrated financial development with fare development as the most significant motor, (2) mechanical, advancement and learning overflow impacts from FDI put together firms with respect to neighborhood economy, and (3) poverty easing government projects or undertakings financed by duty incomes gathered from FDI-based firms.

## **5.8 GGDP and Poverty**

As in keeping with Stevans (2002), while improvement price of GDP increment its activates lessens poverty. Increments in GDP are basically diagnosed with decreases within the poverty charge. In one of a kind, GDP improvement become found to have an expanding number of enunciated impact on poverty for the term of the expansionary times of the 1960s, Seventies, 1980s, Nineteen Nineties, and 2000s. When GDP boom is solid, partnerships settlement more laborers and may bear to pay better pay and wages, which actuates the majority of the additional

spending by utilizing clients on product and adventures. Gross home item measures both the monetary framework's full scale pay and the economy's hard and fast use on items and firms. Since a large number individuals might want to get higher pay and acknowledge higher expenditure, GDP per individual shows up a trademark measure of the money related flourishing of the typical individual. If GDP is rising, the economy is alive and well, and the nation is pushing ahead. If GDP is falling, the economy is in a terrible position, and the nation is losing ground.

### **5.9 Urbanization and Poverty**

As indicated by McKinney (2008), urbanization straightforwardly influences poverty, as it produces new open doors for business uncommonly country specialists, who move out of horticulture and into progressively profitable, non-ranch exercises in the city. This causes a deluge of cash into the provincial zones, chiefly in the state of settlements. Moreover, the movement of agribusiness specialists into the city diminishes the country work supply, in this manner expanding rustic wages. However, urbanization likewise involves circuitous constructive outcomes in rustic networks. The effects of urbanization on poverty at the urban measurement are fundamentally exceptional. As urban zones make, hair-raising additions in property expenses are run of the mill, which oftentimes removes less blessed city-occupants who can't stand to live in the zone any more. Possibly a champion among-est the most dubious effects of urbanization on poverty, the dislodging of low-compensation city-inhabitants from their systems is by and large done through a technique called improvement.

### **5.10 Globalization and Poverty**

As showed with the guide of Halim et al. (2016), globalization is expecting a certainly monster process in the developing worldwide areas. It tends to be noticeable that, globalization has sure

central focuses, as an occurrence, budgetary procedures, mechanical progressions, political impacts, prosperity structures, social and indigenous natural surroundings factors. Globalization urges creating nations to control unwinding of the division increase their money related advancement, handling the poverty inconveniences in their country. Previously, making nations have been not prepared to tap on the area economy because of substitute obstacles. They can not have the proportionate monetary improvement that made countries had. In any case, with globalization the World Bank and International Management urge creating countries to appreciate commercial center alterations and radical adjustments through boundless advances.

### **5.11 Joint Impact of Urbanization and Globalization on Poverty**

As per Gozgor (2015), urbanization and globalization straightforwardly impact poverty. Urbanization and globalization are cutting edge unavoidable truths that apply to everyone. The present urban areas must rival each other to draw in capital. To do as such, numerous nearby experts offer alluring money related motivating forces notwithstanding fundamental down to earth ones, for example, well-working foundation and urban administrations, correspondences frameworks, productive transport, adequate lodging and access to instructive and recreational offices. Be that as it may, in the new "urban archipelago" of aggressive urban communities connected by the present globalized economy. Positive connection among globalization and the populace in the biggest city all in all, and the impacts are factually critical for the monetary and political parts of globalization specifically.

## CHAPTER NO. 6

### DATA ANALYSIS AND DISCUSSION

#### 6.1 Descriptive Analysis:

In this chapter, data are collected, arranged and after that prepared to test the examination hypotheses. Tests are performed by utilizing MS-Excel and E-Views 9. The underneath table 6.1 demonstrates the illustrative investigation of the considerable number of factors utilized in the present examination which incorporate mean, standard deviation (SD) and least, most extreme and perception.

**Table 6.1: Descriptive Statistics**

Measures	Mean	SD	Min	Max	Observation
Poverty	25.8843	3.8914	20.7100	35.7000	37
GGDP	4.8766	2.1229	1.0144	10.2157	37
Urbanization	3.4401	0.4217	3.0151	4.4244	37
Globalization	45.5405	7.4294	33.0800	54.0500	37
FDI	0.9254	0.8280	0.1000	3.6700	37
CPI	8.2741	3.8787	2.5400	20.2900	37
Urb*Glob	153.8226	11.0858	138.5600	174.2700	37

It is obvious from above Table 6.1 that the mean estimation of poverty is 25.88%. The changeability in information with respect to poverty is estimated by standard deviation which is 3.89% for Pakistan during period from 1981 to 2017. Its worth vacillates somewhere in the range of 20.71 and 35.70. The mean estimation of GGDP is 4.8766%. The changeability in information in regards to GGDP is estimated by standard deviation which is 2.1229% for Pakistan during period from 1981 to 2017. Its worth varies somewhere in the range of 1.0144 and 10.2157. The normal estimation of urbanization is 3.44%. The changeability in information with respect to urbanization is estimated by standard deviation which is 0.42% for Pakistan during period from

1981 to 2017. Its worth changes somewhere in the range of 3.02 and 4.42. The mean estimation of globalization is 45.54%. The changeability in information with respect to globalization is estimated by standard deviation which is 7.43% for Pakistan during period from 1981 to 2017. Its worth vacillates somewhere in the range of 33.08 and 54.05. The mean estimation of FDI is 0.93%. The changeability in information with respect to FDI is estimated by standard deviation which is 0.83% for Pakistan during period from 1981 to 2017. Its worth changes somewhere in the range of 0.10 and 3.67. The normal estimation of CPI is 8.27%. The fluctuation in information in regards to CPI is estimated by standard deviation which is 3.88% for Pakistan during period from 1981 to 2017. Its worth vacillates somewhere in the range of 2.54 and 20.29. The mean estimation of Urb\*Glob is 153.82%. The changeability in information with respect to globalization is estimated by standard deviation which is 11.09% for Pakistan during period from 1981 to 2017. Its worth changes somewhere in the range of 138.56 and 174.27.



## 6.2 Empirical Analysis

This section covers the presentation and discussion of empirical results of current study. In order to check the type of data stationarity, the results of Augmented Dickey Fuller (ADF) test results are shown in below Table 6.2

**Table 6.2: Results of Augmented dickey fuller Test**

Variables	Augmented	Augmented	Probability
	dickey fuller	dickey fuller	
	At level “t Statistics”	1 <sup>st</sup> Diff “t Statistics”	
<b>CPI</b>	-5.2333	-7.301632	0.0000 <sup>**</sup>
<b>URB</b>	-4.807141 <sup>*</sup>	-0.4356	0.0004 <sup>*</sup>
<b>GI</b>	-4.902134	-4.574587	0.0008 <sup>**</sup>
<b>fdi</b>	-6.88832	-3.959004	0.0043 <sup>**</sup>
<b>POVERTY</b>	-0.23459	-6.933553	0.0000 <sup>**</sup>
<b>U_gi</b>	-5.44546	-3.304962	0.0000 <sup>**</sup>
<b>GGDP</b>	-3.851119 <sup>*</sup>	-0.56784	0.0056 <sup>*</sup>

Note: \* Show variable which are stationary at level. \*\* Show that variable which are stationary at 1<sup>st</sup> difference.

It is clear structure table 6.2 6.3, Urbanization and GGDP are stationery at level and others variable Poverty, CPI, Globalization, FDI, and intuitive term of Urb\*Glob are stationary at first differentiation. In the event that the arrangement is stationary at level the basic customary least square technique will he connected alongside the arrangement investigation including co incorporation and VECM to suggest an approach. Yet, on the off chance that the arrangement isn't stationary at level, at that point it implies that it have to additionally analyzed , needs to further separate for this situation at first contrast and if the all the arrangement are stationary at first distinction just the time arrangement investigation including Johnson co-combination and VECM will he used. This examination Unit Root Test to locate the stationary to factors. In such manner this examination built up the accompanying speculation. Along these lines, we can dismiss Ho under ADF trial of Unit root test and infers that outcome are huge at level and first distinction. The huge outcome prompts use ARDL rendition for time arrangement information.

**Table 6.3: Results of ARDL Bound Test**

<b>Test Statistics</b>	<b>Value</b>	<b>K</b>
F-Statistics	6.6664	6
<b>Critical Value Bound</b>		
<b>Significance Level</b>	<b>I (0) Bound</b>	<b>I(1) Bound</b>
10%	2.12	3.23
5%	2.45	3.61
2.5%	2.75	3.99
1%	3.15	4.43

H<sub>0</sub>: No long run relationship exist

H<sub>1</sub>: Long run relationship exist.

Checked long run relationship exist among free and ward variable at that point apply F-TEST. It is obvious from above Table 6.3. that the F-insights worth is 6.6664 which is bigger than I(0) and I(1) bound an incentive at 10%, 5%, 2.5% and 1% levels of essentialness. Along these lines, we infer that there is a long-run connection among endogenous and exogenous factors. So dismissed HO and acknowledged H<sub>1</sub>.

**Table 6.4: ARDL Cointegrating and Long-Run Form**

Dependent Variable: Poverty  
 Selcted Model: ARDL(1,0,0,0,0,0)

Variables	Coefficient	Std. Error	t-Statistics	P-Value
D(Poverty(-1))	0.7488	0.2878	-2.6020	0.0171**
D Poverty(-2))	0.2661	0.1816	1.4650	0.1585
D(GGDP)	-0.2428	0.2492	-0.9740	0.3417
D(Glob)	-4.5602	4.1472	-1.1000	0.2846
D(URB)	-55.4288	47.8712	-1.1579	0.2606
D(FDI)	-2.6523	1.0954	-2.4213	0.0251**
D(CPI)	0.0050	0.1637	0.0306	0.1847
D(Urb*Glob)	0.8236	1.1103	-2.7418	0.0033*
Coint Eq. (-1)	-0.7218	0.3986	-4.6920	0.0071*

$$\text{Coint Eq.} = \text{Poverty} - (-0.1298 * \text{GGDP} + 4.6776 * \text{Glob} + 47.4433 * \text{Urb} - 1.4182 * \text{FDI} - 0.1720 * \text{CPI} - 1.3252 * (\text{URB})(\text{Glob}) - 143.2256)$$

Long Run Coefficients

Variables	Coefficient	Std. Error	t-Statistics	P-Value
GGDP	-0.8775	0.4140	-2.1194	0.0431*
Glob	3.7391	1.4702	2.5431	0.0168
Urb	41.2700	16.3089	2.5305	0.0173*
FDI	-0.9877	0.4113	-2.4014	0.0168*

CPI	0.3222	0.2187	1.4727	0.1520**
Urb*Glob	-1.0323	0.4548	-2.2697	0.0311*
Constant	-121.1873	56.1581	-2.1579	0.0017*

Where \*,\*\* and \*\*\* indicates the level of significance at 1%, 5% and 10

It is clear from the above Table 6.4 that the error correction term is -0.7218 which is significant at 1% level of significant. And since it lie between 0 to -1 which suggests that the model is highly convergence. The ECT -0.7128 suggest that the speed of adjustment or correction towards equilibrium level is approximately 71%.

The negative coefficient of GGDP found to be -0.8775. It shows that that if here is 1% increase in GCGDP than poverty reduce by -0.8775 units. Thus, there is negative and statistically significant relationship between GGDP and poverty at 5% level of significance. The positive coefficient of globalization found to be 3.7391. It shows that that if here is 1% increase in globalization than poverty increase by 3.7391 units. Thus, there is positive and statistically significant relationship between globalization and poverty at 5% level of significance.

The positive coefficient of urbanization found to be 41.2700. It shows that that if here is 1% increase in urbanization than poverty increase by 41.2700 units. Thus, there is positive and statistically significant relationship between urbanization and poverty at 5% level of significance.

The negative coefficient of FDI found to be -0.9877. It shows that that if here is 1% increase in globalization than poverty reduce by -0.9877 units. Thus, there is negative and statistically significant relationship between FDI and poverty at 5% level of significance.

The positive coefficient of CPI found to be 0.3222. It shows that that if here is 1% increase in CPI than poverty increase by 0.3222 units. Thus, there is positive and statistically non-significant

relationship between CPI and poverty at 5% level of significance. The negative coefficient of joint impact of urbanization and globalization (Urb\*Glob) found to be -1.0323. It shows that that if here is 1% increase in Urb\*Glob than poverty reduce by -1.0323 units. Thus, there is negative and statistically significant relationship between Urb\*Glob and poverty at 5% level of significance. The intercept of the ARDL model is negative which is -121.1873 units. Which means that when all exogenous variables are zero then poverty reduce by -121.1873 units. Thus, there is negative and statistically significant relationship between intercept and poverty at 5% level of significance.

The classical linear regression model (CLRM) assumption is that correlation between errors terms must be zero. Breusch-Godfrey LM test is used to detect possible serial correlation. The null hypothesis under Breusch-Godfrey LM test is that there is no serial correlation (i.e.  $\rho_1=0$ ) while alternate hypothesis under Breusch-Godfrey LM test is there is serial correlation (i.e.  $\rho_1\neq 0$ ). The Table 6.5 shows that P-value of F-test and P-value of Chi-square is 0.4244 and 0.1702, respectively. These values suggest that the model of this study is free of serial correlation and the model is not inefficient. The result of Breusch-Godfrey Serial Correlation LM test is given as under;

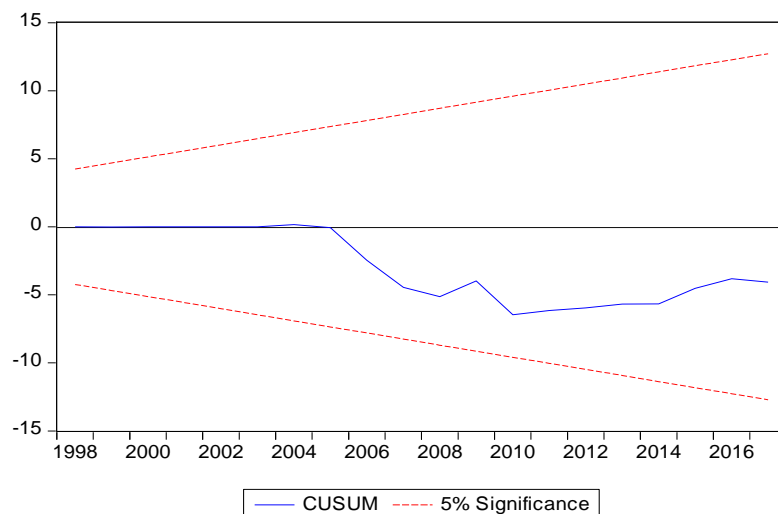
**Table 6.5: Breusch-Godfrey Serial Correlation LM Test Results**

Measure	Value	Degree of Freedom	P-value
F-statistic	0.9822	F(3,17)	0.4244
Obs*R-squared	5.0226	Chi-Square(3)	0.1702



## 6.6 CUSUM Stability Test:

Cumulative sum of recursive residuals (CUSUM) is utilized to analyze the security of ARDL method. Moreover, it is a dependability test utilized by breaking down the parameter security. Such tests have been connected to check whether the parameters in the model are steady or not. This dependability technique was offered by Brown et al. (1975), it is inferred that the model is fundamentally steady blue line isn't cut the both upper and underneath red line as CUSUM plots which stay inside basic security at 5% level of importance as show in Fig. 1 beneath. This shows the solidness of the coefficients of the ARDL condition during 1981 to 2017 in Pakistan.



**Fig. 1: CUSUM test results**

## CHAPTER NO.7

### CONCLUSIONS AND RECOMMENDATIONS

#### 7.1 Conclusions

The main focus in the current study is about the simultaneous impact of urbanization and globalization in Pakistan on poverty. The data has been taken from 1981 to 2017. Considering poverty as dependent variable and GGDP, urbanization, globalization, FDI, CPI, and Urb\*Glob as independent variables. An ARDL, a test for co-integration was applied to treasure out the relationship between selected macroeconomic variables and poverty.

Globalization and urbanization plays a vital role to get rid of poverty curse in any developing country like Pakistan. According to depth study, depicted independent variable globalization and urbanization simultaneously are helpful to reduce poverty in Pakistan. Globalization is significant for urbanization and urban monetary development since it influences spatial allotment of assets and makes spatial effects. Urban economic development is progressively contributed by administration areas, declining portion of assembling segment and higher labor productivity. Higher development and greater grouping of urban populace in metropolitan zones (for the most part contributed by development of urban agglomeration zones, higher agglomeration economies and better business condition) is a significant element of Pakistan urbanization in globalization period. Simultaneously globalization and urbanization is significant for Pakistan as it carries more prominent chances to exports, inflow of foreign investment and higher economic development. Due to globalization urban development is portrayed by higher yearly development rates and to a great extent contributed by the quick development of administration part,



particularly business benefits that incorporate export-oriented and outside speculation alluring programming and related IT administrations.

The results show that globalization and urbanization separately are not useful to reduce poverty. If the globalization is occurring in developing country like Pakistan but the urbanization is not managed properly hence would not result in fruitful outcomes from globalization. Another independent variable GGDP, FDI also have significance results and helpful to reduce poverty in Pakistan. Furthermore, by applying the CUSUM for test the stability of model. Result show that model is highly stable, that is long-run poverty model in Pakistanis significant.

## 7.2 Recommendations

The following is the recommendations to reduce poverty in Pakistan:

- According to results urbanization and globalization are simultaneously impacting on poverty to reduce it. So if the government would carry both together poverty can be removed. Government should import AI (Artificial Intelligence) from developed countries, it allows city management to have a precise understanding of how the city is working. AI can help in autonomous public transport route planning, power grid management, smart traffic management, drone delivery, autonomous postal services, or health care facility units. It is suggested that for the development of the smart cities, government of Pakistan should import immersive technologies such as Virtual Reality (VR) and Augmented Reality (AR) which represent a key component of the Fourth Industrial Revolution (FIR). Government should take steps to improve the production of small industries to be given subsidy and tariff quota therefore, they can get desired outcomes from globalization.
- It is highly recommended for the government of Pakistan that provide safe and secure environment for the domestic and foreign investors to attract further FDI which leads to reduce poverty.
- It is observed from the results that CPI increases poverty so government of Pakistan must control inflation. Inflation can be controlled if administration of Pakistan advancing nation wide budgetary investment funds by utilizing granting fine rate of backpedal on stores and distinguishing beneficial roads of subsidizing and restoration of the money related framework by means of taking care of the issues of unwell specialty units and brisk and evident privatization of open locale foundations. According to result because of inflation

poverty increase in Pakistan. Government ought to extended hobby costs will help reduce the growth of mixture demand in the financial system. The slower boom will then lead to lower inflation. Higher interest quotes lessen customer spending due to the fact accelerated hobby rates increase the price of borrowing, discouraging clients from borrowing and spending.

- It is highly recommended for the government of Pakistan that is to create investor friendly environment by softening administrative policies, creating investment opportunities by providing comprehensive set of investment motivations, tax SOP (Standard Operating Procedure) including credit facilities, monetary benefits and better visa policy.
- From the result its is observed that unplanned urbanization and slum/urban sprawl of the city can enhance poverty, there must be some urban planning to reduce poverty.
- Urbanization calls for immediate and sustainable solutions from the government. The failure of government is due to multiple policies, dormant action plans and incoherent development programme. The government should re-evaluate its policies and planning programme to manage the massive urbanization so that guaranteed and futuristic development could be expected. In this regard, the government should focus following areas Coherent policies, Planning process its inputs, outputs and further details, Energy policies and plans, Future plans, Governance i.e. local governance system, Provisional urban units, Katchi Abadi authorities.
- It is highly recommended for government of Pakistan that maintains political stability and also provide proper infrastructure in order to avoid energy crises that leads to attract more FDI inflow to our country Pakistan.

- Government should improve transport, making global travel easier like Gawader port, a key project of CPEC (China Pakistan Economic Corridors), will serve as a global economic activity hub and a complement to the existing Chahbahar port in Iran. All the economic activity including transportation of oil and gas to Central Asia can be carried through this sea route placing Pakistan in an important position in the globe and positively affecting its relations with other countries.
- Government should take over medium and large scale Industries for purpose to get proper benefit from globalization. Medium industries and large scale industries and its functioning should be under the control of government in the view of society' development. Assets and liabilities of micro and small industries grow up as well as it's physically and profitability become vast, then all criteria to become Medium size industries is fulfilled by the micro and small industries. Such as industries should come under the government.
- Universally, financial coordination is to a great extent related with accomplishment of WTO commitments, on which Pakistan is as of now slacking in the back of. Pakistan has been given a GSP+ notoriety by the European Union in which Pakistan is given a loosened change settlement for 75 objects. It, at the same time, has not had the option to use this notoriety totally, when you think about that a ton of its preconditions have never again yet been satisfied. In this manner, Pakistan should consideration on these preconditions and attempt to expand its item assortment and markets to totally contend inside the global discussions.
- It is highly recommended that government provide non-farm activities also in order to enable the rural households to generate incomes and hence avoid poverty.

