

## INTER-LINKAGES OF PUBLIC INVESTMENT AND ECONOMIC GROWTH IN PAKISTAN: AN ECONOMETRIC ANALYSIS

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### ABSTRACT

*This paper critically evaluates the effects of economic growth on public investment in Pakistan. Annual secondary data for the period ranging from 1960 to 2005 are used, taken from Economic Survey of Pakistan (various issues) and International Financial Statistics (various issues). Linear regression model followed by Two Stage Least Squares (2SLS) techniques is used for the analysis. The study revealed that expansion in out put and reserves has favorable impacts on public investment. Based on the finding of the study it is recommended that long term private/public investment policies of government, can gain better results in economic growth which ultimately enhance public investment and will ensure increasing employment opportunities and reduce poverty. Export sector needs more attention in term of quality, prices and marketing strategies for growth enhancement.*

*Keywords: Economic Growth, Public Investment, Employment Opportunities, and Poverty Reduction*