

EFFECT OF GLOBALIZATION ON EMPLOYMENT IN PAKISTAN

SALMA SHAHEEN¹, MAHNAZ MUHAMMAD ALI² & KOMAL SAJJAD³

¹Lecturer, Department of Economics, University of Gujrat, Gujrat, Pakistan

²Lecturer, Department of Economics, The Islamia University Bahawalpur, Bahawalpur, Pakistan

³M.Sc Economics Student, University of Gujrat, Gujrat, Pakistan

ABSTRACT

This paper investigates the effect of globalization on employment level in context of economy of Pakistan. Different dimensions of globalization i.e political globalization, economic globalization and social globalization used to capture the effect of globalization. Foreign direct investment (FDI) and trade openness are also used as proxies of globalization. Remittances include as independent variables. Period of the study is 1976 to 2011. Co integration technique Engle Granger is used to estimate the results of variables. Error correction mechanism applies for finding short run analysis. Results indicate that foreign direct investment, worker remittances, social, political and economical globalization has positively affected employed labor force in long run. For the purpose of appropriate lag length Akaike Information criterion (AIC) and Schwartz criterion (SC) are used.

KEYWORDS: Globalization, Employed Labor Force and Co-Integration