

Abstract

The investigation explores the correlation between GDP growth and population growth of Pakistan covers yearly data over the period of 1976-2015. Population growth is a very important element for the growth of economics. There are different schools of thought regarding the population of a country and economic growth in some countries the relationship is positive or negative. This article provides us a strong indication by using the bound test (Pesaran et al., 2001) that there is an among population cointegration growth and economic growth in Pakistan. The finding of this paper is that there is cointegration between population growth and the economic growth in Pakistan and also informed about unidirectional causation from GDP growth to the government spending. The long-run relationship also indicates the positive relationship between population growth and economic growth. The finding also reflects the postulate regarding population growth promote economic growth in Pakistan.

Keywords: GDP growth, Population growth, Labor force, Government spending