Global Scientific JOURNALS

GSJ: Volume 7, Issue 11, November 2019, Online: ISSN 2320-9186
www.globalscientificjournal.com

IMPACT ANALYSIS OF POVERTY AND FUNDING OVER THE PROGRESS OF HIGHER EDUCATION IN PAKISTAN

Ambar khand[1], Zhimin Liu*[2]

[1] College of education and management, Nanjing Agricultural University, Nanjing, Jiangsu 210095, China;
khandambr@yahoo.com, liuzimin@njau.edu.cn
*Correspondence: liuzimin@njau.edu.cn;

Abstract: *This paper proposes that poverty is the fast-growing menace, which is hotly debated in almost all countries whether developed or developing, including Pakistan. The study illustrates the impact of poverty and funding over the development of Higher Education in Pakistan and details theoretical linkage between them. Data were zanalyzed by E-views and SPSS Softwares. Where, LnPr and LnBd represents the natural log of poverty and budget and t denotes the time period,* α_i *and* a_i *are random variables, indicating that they vary as the entity changes, and their variation is related to the corresponding explanatory variable;* α_i *and* b_i *are the coefficients of the explanatory variables, and they are variable among different entities, and* u_{it} *are error terms. The results of this study shows that, an increase in funding leads to an increase in the graduation rate of students. As the budget increased the graduation rate and university output is increased. Education enrollment has a significant impact on poverty. This can change the socio-economic status of the people as individuals and in society. The findings of this research conclude that both variables has a major impact on the development of Higher Education in Pakistan. It has been proved that the element of poverty and funding not only influences the standard of Higher Education but also deteriorates it qualitatively.*

Keywords: Higher education, Poverty, budget, Time series.

INTRODUCTION

Human development and uplift can never be perceived except for the true achievement of education. It is one of the basic human rights of every individual living in a state and is deemed to have intimately been connected with the socio-economic development of a country. In the age of economic knowledge, it can be claimed that a country could only be transformed into an advanced state if higher education is duly attained. It fosters the great movement of improvement and enhancement in all possible spheres of life including an increase in employment, corporate job opportunities, intellectual creativity, administration, management, sufficient earnings, health, longevity, effective parenting, civic participation and public awareness and so on. Higher education is a gateway to human resource development and socio-economic and politico-cultural uplift in the fast-changing world of us.

According to existing figures, Pakistan ranks 6th in the world by population. World Bank establishes a vivid definition of poverty in the context of Pakistan, which states that a person who earns not more than $ 1.25 per day. In Pakistan, a person who lives on less than Rs. 3,243 per month is poor [1]. Pakistan stands one of 43 countries in the world that are going through poverty risks and this shows that the poverty in Pakistan is at the peak. Poverty has

been hitting Pakistan very hard, causing people to suffer and die of hunger and depression. Recentlty the budget of the universities are drasastically decreased, it would be belive that education is the main pillor to our society and societies can not be glorified without proper education.People are unable to get proper education because poverty has restricted them to the fulfillment of their basic needs of life as food and water, and so on. It might seem counter-intuitive, but if we consider it thoughtfully, we come to know the mental and cognitive status of the poor and uneducated class having vulnerable mindsets. They do not have a broader view of the world. Therefore, they are not in the position of deciding what to do and what not to do. Economic survey of Pakistan 2012-2013 suggests that the literacy rate of Pakistan is 58% of which 70% are males and 47% are females. In the countryside of Pakistan, the literacy rate is 47% and that of urban is 75%. The literacy rate records higher in urban areas and of it, more are males. Researchers and development experts believe that education ultimately drives people to higher development, the decline in poverty and sustainable socio-economic growth.

Numerous students at university level can't bear the high dues of fees to these universities. However, they are extremely affected and lose many opportunities regarding future, for example, access to better professional opportunities, good earning member of family and society. In that scenario, higher instruction commission assumes to play their part and support the needy and poor students by zero-interest loan and some scholarships as they focus on their study and they achieved their goal of higher education by smoothly and can outperform in the development of the nation. This study can be helpful to investigate the basic factors which are directly connected with the higher education of Pakistan, in future, these will be the steps towards the improvement of country higher education as it can meet their requirement of international higher education.

The primary aim of this research is to evaluate and assess the impact of the poverty and budget over the progress of higher education of Pakistan and to know the extent to which policies and systems in function can uplift undergraduate learners to achieve higher position at institutions of tertiary education. The foremost aim of this research is to comprehend the students' problems that are affecting their higher studies, which can reach at higher education institutions for example how poverty impact on their study and how it damages their higher education. Furthermore, to know the hurdles and chances that undergraduate come across so far as higher education in concerned. How low budget of universities impact on universities higher education. Another aim of the study is to contextualize and elaborate numerous pathways pertaining to systems which lead to these institutions. Besides, exploration of different access related systems leading to public universities impact the development and achievement of goals of learners and to have knowledge of learners' viewpoints of access. Moreover, the research critically assesses the findings and exposes them to the readers.

Objectives.

(i) To assess the influence of poverty on higher education of Pakistan.

(ii) To asses the imoact of low budget on higher education of Pakistan

Research Hypothesis

(i) Is there any influence of poverty on the performance of students?

(ii) Is there a relationship between the budget of government for public sector universities in Pakistan?

Justification of the Study

This study is anticipated to give its output by conclusion of this study that will be useful for academicians, general universities, government of Pakistan and higher education commission of Pakistan that how to achieve improvement in the standard of education in public universities, employment and rising standard of students of education and they can compete with international institute. The outcomes of the study will endorse through research exchange and superior expertise in the supervision of institutions of higher education. It will contribute to providing useful information which assists the government and higher education as they can modernize the securities according to international standard. The findings of the study will be informative to Universities of Pakistan to the extent to which the Government support through the deliver the fund and monitor it through this many students can be graduated and university performance can be increased. The results of the study will be helpful for the government that considered the policy for higher education among students from poor economic backgrounds.

Review of Theoretic Literature

Each field of study creates and utilizes theories for analyzing and simple appreciation of phenomena in the field. It's the general concept that theories produced by social scientists is believed as hypothesis and prepositions and they relate to them by logically and mathematically arguments that make advanced to explain an area of experimental reality [2]. There are no educational institutes who can bring a lot of change and advancement in their education without financial support. The years ago, the higher educational institutes just needed a bursar to keep the books and distribute the funds. The quality of higher education was not looked well.

Further, the environment of higher education has obliged radical changes in the related budgetary management of universities. This study tries working on related issues with higher education. This part looks to report the theoretical review onto the higher education.

Analysis of past policies of Pakistan education

While critically evaluating the previous policies at Pakistan national level, the first one was the Pakistan education conference in 1947 and Commission on national education 1959, and different ntional policies were made in 1970, 72, 79, 92, 98, 2010, neatly indicates the changes in education and emphasis on standards of quality. In early 2000s, when globalization in instruction was moving dead slow within boundaries, our organizations and arrangement producers were not well managed and lacking the foresight to envelop the challenges. Dr. Virk remarked on the general status of higher education in the Pakistan, at that point that "The universities in their present circumstance are not outfitted to make new knowledge, nor do their graduate-study program about projects measure up to international level quick extension of the system, limited financial related info and intermittent student's agitation have dissolved the learning and showing forms despite modernization of curricula. The supply of funds to the universities is limited and coupled with misuses of public funds. The autonomy of the universities presents in their act just not insufficient but also distorted. The base of research in the universities is poor, and limited facilities in libraries and laboratories and a severe shortage of teachers continue to delay the progress of higher education towards a good education." The situation of the matters depicted by Dr. Virk is highlighted in relation with our

literacy extent, level of common people and designation of funds for training out of the Gross Domestic Product shown underneath, which indicates bring down the need to education at our policy making podium.

Education and poverty

Education is primarily essential in the process of development of any nation. Those nations who improved their education, they can easily change their social status among the world nations. Many researchers are engaged in introducing the national and international level in training and developmental connectivity. It is accepted by researchers that education plays pivotal role in minimizing the poverty. **[3]** used time series data between 1980 and 2008 to investigate the fundamental link between higher education and economic growth in the case of Romania. The findings of their research proved that economic growth and higher education are intimately linked and one-way causality *i.e.* moving from economic growth to higher education was witnessed. In the Pakistani context, agriculture entertains almost half of the country's people. From the 85% is the micro-level growers. [4] have taken the sample of 300 micro-level growers of -mid-Punjab to discover the extent of poverty among them. They forwarded that poverty can only be eliminated by educating people.

Poverty in Pakistan

Definition of poverty is "a state or condition in which a man or group does not have the financial resources and can't enjoy the basic standard of life and prosperity that is viewed as satisfactory in the public arena". [5] showed the impact of external inflows on poverty using different factors (education, health, and other human development index). They utilized the ARDL method to perform bytime series data from 1972 to 2008 in Pakistan. They proposed link among poverty, infant death rate, female enrolment , and external inflows. [6] in 2011, expressed factors of poverty by Home Survey of 1998-99 and 2001-02. For that purpose, they analyzed a number of levels of educational institutes level, no of persons are employed and experiences used as the indicators of poverty. They concluded that the educational achievement and experience were adversely linked with variable (poverty). With the help of time series data from 1972 to 2007, [1] investigatededucational part in eliminating impoverishment from the country. . Research conclusions of them affirm elementary and high schooling are unimportantly connected with imporishment. Teaching at tertiary level is widely and significantly connected with impoverishment . Their research indicated adverse connection between progress and impoverishment. [7] worked with values of successive variables to know causality in tertiary level teaching and financial stability in the country. . Researchers utilized co-consolidation methods in a VAR system as well as [8] antecedent method while critical evaluation during 1972 to 2005. consolidation method outcomes affirm LR relation among teaching, work, finances and RGDP. Antecedent findings state monodirectional causality of RGDP to tertiary level teaching. [9] assessed the SR and LR meet-up in primary schooling as well as financial growth with regard to Pakistan with the help of ARDL technique to consolidation. This research took annually values of variables of actual GDP, tangible finance on actual conditions, impoverishment, increase in retails , as well as groseroot primary enrollment rate during 1970-71 to 2008-09. Findings of research of [9] ascertain consolidation in actual GDP, impoverishment, incline of prices , primary registration rate as well if GDP added with primary registration rate serve like free factors. Further, research claimed the SR, schooling and financial stability are positively interlinked. Research took 10 varied variables to

clarify teaching. . research outcomes state longterm connection in teaching, labor work, tangible finances as well as financial progress regading Pakistan. Outcome ascertained two-way antecedent in teaching and financial uplift. Research proposed enhanced indovement resources for tertiary teaching which resultantly takes to more economic stability in Pakistan.

Financing and higher education

Finance is considered the main component of any system. In neibouring developing regional countries such as Sri Lanka and Bangladesh, the budget for education has increased. Unfortunately in Pakistan, decreasing year to year . As per International Crisis Group, among the 12 countries who are spending less than 02% of their overall budget on his education system. This is the main reason of slow improvement of education system in Pakistan.

The low level of public expenditure on education has been ranging around 2.2 to 2.4 percent of GDP from 1993 to 2007. The minimum of 4% of GNP recommended by the UNESCO for developing countries. There are multiple factors which are facing by Pakistan are the reasons fanincial constrains. Besides this all, the governamnet allocate less than 3% on education of its overall budget. The priorty of pakistan is defence since 58 years upon which they are spending maximum portion from its GDP but on education is at lowest level.

Rabia Malik, 2015 reviews the state of education in Pakistan, highlited the problems that excist in education system of Pakistan. It emphasized the current state of financing for education, including domestic and external sources of finance. She enlight on the positive developments in recent years with regard to constitutional structures governing fiscal and administrative rearrangements, which directly support the provinces to meet the educational targets . furthermore, the paper elaborat the challenges, notably the low levels of spending requiring wider reforms to strengthen the tax system and the need for redistributive financing within provinces to tackle inequalities. The paper concludes with a number of opportunities for action taken for the Government of Pakistan to achieve its educational goals.

Research Methodology

There are varied tools to collect data in social sciences. In this research, the survey methodology is used to collect cross section data for individual goals. This technique is widely used to collect data related to various social problems and questions [10]. Method of survey draws clear roadmap of the research and thorough way to collect genuine data. Questionnaires are also developed to collect data. They are also effective means of getting more authentic responses. Research methodology includes data source, focused area, random sampling and qualitative analysis of data.

This study used secondary data, which was obtained from National Bureau of Statistics Pakistan, policy documents, government institutes published and unpublished annual publications , secret information as well as institutional planning record like systematic progress roadmaps , councel bulletins , training recods , research articles. The data has collected from the library of the target government department and through the internet.

Data Processing and Analysis

Time series Data was collected for 1990-2015 from different sources as mentioned above, the data was categorized. The data collected through this method summarizes the results more authentically. The classified data is analyzed

and explained with the help of wider perspective and speculations in order having clear pictorial explanation Data were analyzed by E-views and SPSS Softwares.

Unit Root Test

URT will consider basic examination prior to co-integration. URT will be used to know stationary (un-stationary) as well as incorporation series of variable . [11] defined panel unit root test stationarity, which means variance and auto co-variances rarely rely upon schedule and the random mechanism is known as white noise [$E(\varepsilon_t) = 0, E(\varepsilon_t^{\,2}) = \partial^2, Cov(\varepsilon_{t,}, \varepsilon_s) = 0$]. White noise indicates random mechanism. .Levin, Lin & Chu (LLU) Lm, Pesaran and Shin W-stat (LPSW) Augmented Dickey-Fuller- Fisher Chi-square (ADF), Phillip Parron-Fisher Chi-Square (PP) and Hadrian Z-stat (HZ) tests were used to sort out assimilation of arrangements and stagnancy initially I (0), apparent distinguish I (1) so forth examination of hypothesis was claimed to be proved by URT.

Co-integration examination

Explanation : the indicators are co-integrated with order (r), regarding unbent systematicity, as well as incorporated (r-d) order **(**Rao, 1994). So "N" indicator is co-integrated:

$$N \approx CI(r-d)$$

Succession of series (r-d) which has indicator of of co-integration $\beta \neq 0$ proviso $\beta_0{}^1X_t$ is having incorporation series I(r-d) and d =1,2, 3…. r, and r =1,2, 3…..n (Johansen 1988). Resultantly determinants of stationarity examination are availed . According to Ganger (1987), unbent systematicity of un-stationarity orders of indicators may be static., drawn conclusion shows co-integration detailed overview , and co-integration was economic tool to panel data touchstones.

This particular study uses [12] method to co-integration as it conveys persistent findigs in multiple and multifaceted conditions. Johansen co-integration technique examines integration vector amid determinants which separates it from more additional tools practiced in co-integration evaluation.. Johansen co-integration tool null hypothesis relating to incorporation determinants are viewed out contrary of parallel hypothesis. Defying of null hypothesis takes to acceptance of longterm strengthened balance state in variable and so forth.

$$\Delta N_t = A_0 + A_1 \Delta N_{t-1} + A_2 \Delta N_{t-2} A_2 + \ldots\ldots\ldots\ldots + A_p \Delta N_{t-p} + \varepsilon_t \ (XXI)$$

Where:

P= Autoregressive order

A= n * n matrix of parameters (β_i) of N_i Variables

ε_t= white noise error

Specifying Johansen Co-Integration Equation

$$\Delta \ln \Pr_t = a + \beta_1 Bd_t + \gamma \Delta \ln \Pr_{t-1} + \varepsilon_i \, (XXIV)$$

β_i Refers to the cointegration vector of parameters. Here the log length of the autoregressive phenomenon is known through Schwartz and Bayesian parameters (SBC) information touchstone (that lag length is used for Schwartz and Bayesian Criteria (SBC) value is nominal).

RESULT

Data analysis

The data on the tested parameters were collected from two different sources, with data of higher education produced by Pakistani Universities and data of funding released by HEC per student was collected from the annual published and unpublished reports of higher education commission Pakistan. Similarly, data of poverty, was gathered from the data index of the World Bank. Some years data of poverty was missing in the index of World Bank, the vacuum was filled by the collected data from published reports of Food and Agricultural Organization. Tame series data were collected for the time span 1990-2015, due to data availability and continuity in order to figure out the quantitative interactions among higher education, terrorism, poverty and fund released by higher education per student in Pakistan.

URT examination is practiced to record the stagnancy of variable and determinats. Its examination include many methods such as Augmented [11, 13-17] Levin, Lin & Chu t* [16], [14], Augmented Dickey-Fuller (ADF - Fisher Chi-square (1979, 1984), Phillip Parron (PP - Fisher Chi-square (1988) and [18] test. If the persistent parameters of the equations are common across cross-sections, then this kind of unit root test process is a CUR Mechanism. [11, 16], [19] [11] and [18] test are based on this assumption. If the persistent parameters of the equation vary among cross sections, then this sort of unit root test process is an individual UR process. [14, 15, 17], ADF-Fisher(1979,1984) and PP-Fisher (1988) tests apply this process, among the six-unit root tests, only Hadri technique assumes the null hypothesis as non-stationarity. Table 1. displayed results of different tests which were mentioned above and time series from the time span 1990-2015 data for this study was collected. Except for Hadri test other all the test shows no unit root at level, Just had denoted that the primary series of variables had a unit root. When the primary variables were transformed into the first difference forms, unit root test was not found, which denoted that variables were incorporated . In midst of performing UR test, intercept is often added to look for static state of variable and determinats combined with extra factors . [20, 21] also added intercept term of confirmation of UR.

Table 1. Results of Unit Root Test

Statistical Observations	LnPr	LnBd	Order of Integration
	Level/Diff	Level/Diff	
Levin, Lin & Chu t*	-8.264***	-2.682***	I (1)
Breitung t-stat	-2.352**	-4.291**	I(1)
Im, Pesaran and Shin W-stat	-7.282***	-3.680***	I (1)
ADF - Fisher Chi-square	24.263***	52.901***	I(1)
PP - Fisher Chi-square	78.293***	144.310***	I (1)
Hadri Z-stat	-1.925***	0.928	I (1)

Note: UR examination practiced with intercept term. Possibilities of FT were calculated by applying asymptotic Chi-square distribution remaining examinations seem asymptotic normality. *** assume that the null hypothesis was defied at at the significant level of 1%.**, The null hypothesis of Hadri Z-test is non-stationarity or no unit root, but the other tests seem that the null hypothesis is that a UR exists. Results attend by Author through using Eviews 8.0.

Variable was integrated of order one, cointegration test needs to be performed for making sure whether a longterm balance connection exists or not. Generally, cointegration test was divided into two kinds. One sort is [22] two-step residual-based test, including Kao and Pedroni test. The other category is advanced by Fisher which is a Johansen combined test. Pedroni cointegration test is divided into two types, one of which is a panel test, and the other is a group test. the series test was focused on dimension viewpoint which comprises 4 numbers: series v-Statistic, Series rho-Statistic, Series PP-Statistic, and series ADF-Statistic. Group test is based on between-dimension approach with these 3 statistics: Group-rho-Statistic, Group PP-Statistic, and Group ADF-Statistic. results of table 4 inferred that ADF and series v-Statistic were non-significant. However, series v-Statistic denoted that null hypothesis was defied at 10% main level, series rho-Statistic at 5% main level, and remaining statistics at the 1% significance level, connoting cointegration relationship existed.

Table 2 connoted that Fisher Statistics respectively from trace test and max-eigen test rejected the null hypothesis of no cointegration and at most 1 and 2 integration relationship at the 1% significance level, which implied panel cointegration relationship existed.

Table 2. Results of Fisher Cointegration test (Johansen combined)

Null hypothesis	Fisher Statistic (from trace test)	Fisher Statistic (from max-eigen test)
None	**63.000(0.0001)*** **	**36.661(0.0006)*** **
At most 1*	**26.338(0.0271)** **	**23.216(0.0301)** **
At most 2 *	**13.103(0.0369)** **	**14.102(0.0315)** **

Note: There are two kinds of null hypothesis: one is that no cointegration exists; other is that at most one cointegration relationship exists.***infer that the significance level at 1% always is rejected. Whatever's in the parenthesis is the probability value. Intercept and quadratic trend are included in the cointegration equation. Results are attained by Author through using Eviews8.0.

Table 3. Independent variable

Independent variable	Coefficient	Std-Error	t-Stat	Prob.
Constant	0.505	0.0858	6.891	0.000***
LnPr	-0.265	-0.196	-1.352	0.001**
LnBd	0.0912	0.012	0.127	0.241
R^2	0.9095	Adj-R^2	0.8794	D.W. 2.014

Note: In FMOLS model the independent variables are LnPr and LnBd. LM represents the Lagrange multiplier test for serial autocorrelation. HEis White`s Heteroscedasticity. ***, means the P-value of lnPr in both models are significant with 1% level. Results attended by Author through using Eviews 8.0.

Impulse Response Function (IRF)

IFR was estimated for two variables of funding and poverty for the 25 years, the results of IRF shows that the response of graduation rate to funding has impact on higher education, when the graduation give 1st standard derivation shock to the value of funding will decrease to -0.001 after that from the fifth year it increases little bit to 0.00 and become steady. The relationship of funding to poverty has a significant correlation, 1st 8-year funding values will be decreased to -0.001 then after eight years it's increased to 0.00. The figure reveals that poverty will decrease owing increasing rate of funding. The relationship of poverty to funds also found interesting, when the

shock given by fund to poverty the value of poverty varies to upward and downward. That reveals that if the funding is more the poverty reduces and if the funding is less the poverty increases.

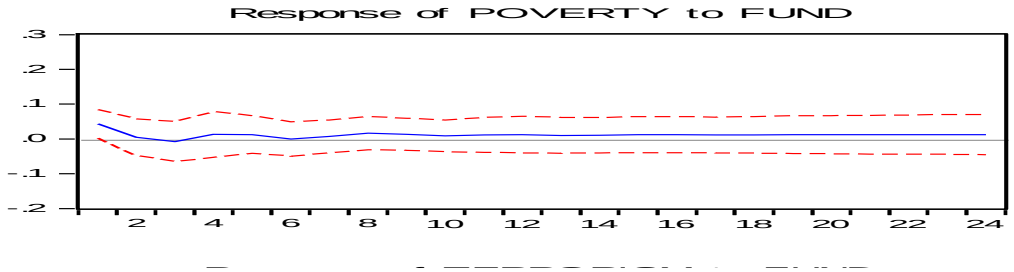

Figure 1. Impulse response Function, based on variable

Regression analysis

Table 4. Regression analysis

Variables	Coefficient	Std-Error	t-Stat	Prob.
Poverty	-1.073376	0.271809	-3.949006	0.0008
Funds	0.538182	0.111022	4.847521	0.0001
R. 0.976	Adj R- 0.972	D.W. 1.05	F. 274.82	

Above table indicates the significant impact of Poverty (P<0.01) and Funds (P<0.01), If poverty is reduced 1% graduation rate will increase by 1.0%. Durbin Watson (DW) Test the value of D.W is 1 which infers that there is positive autocorrelation in test variables in the model.

This section provides an outline of the research problem while discussing the findings. The structure of the section is guided by the objectives of research to see the impact of poverty on higher education of Pakistan.

DISCUSSION

Higher education works significantly remarkable to develop and enhance economic knowledge. All developed and developing countries have gone through the process of robust of higher education and have tackled innumerable issues and challenges pertaining to sustainability, access to higher education, discrimination in access and outcomes, quality, evaluation, assessment, relevance, weakness in university governance structure and management practices. Pakistan is estimated and foresighted as 5th largest country by population by 2030. Its population is expected to increase up to 230 to 260 million. Youth comprises bigger part of the population of Pakistan. This dividend could only be attained by enhanced

higher productivity and rapid economic growth through provision of education to each and every citizen of the country back in past, Pakistan lacked in solid structure and framework of higher education which could compete with the developed countries of the world. The higher education institutes were devoid of research and critical thinking culture. They had only so-called professors having bulk of bogus research worth nothing. Higher education had remained unattended area during 20th century. there were no such exemplary higher institutes whose standards could meet with that of the world and research conducted in these institutes was not worth citing. When Britisher left the sub-continent in 1947, Pakistan had only two Universities and they were Punjab and Sindh University. During five decades' long way, country established 34 higher institutes 24 from them are public sector universities and 7 are privately-owned. Till 1992, government accreditated two privately-owned institutes Aga Khan University and Lahore University of Management Sciences ten more privately-owned Universities were established by the year of 1997 and this number went to 20 during 2001-2002. In 2003-2004, country helped in making 53 privatel-owned degree-awarding universities. This fast growth in privately-owned tertiary level teaching universities is satisfactory when compared with preceding years. In 2001, three more privately-owned universities were set. and many more were inaugurated. by the start of 2002, 29 more privately-owned universities was figured out. However, the advent of the 21st century testified a high increase in number of tertiary level teaching institutes and produced big total of institutes and DAIs to the figure of 117 in 2005-2006. This study was executed in the time of factor influencing the higher education of Pakistan, the poverty variable was selected to know their effects on higher education of Pakistan. The HEC funding developmental and granted was quite a few in initial years but after the HCE replace the University grant commission the funding was increased. From 2003 to 2015 the HEC funding was greatly increased towards the university. Furthermore, the value difference of standard deviation was minor during the cross sections, which indicated that the distribution of the variables has high similarity in time series among the variables. UR examination is practiced to sort out stationary of the determinant and parameters. . If the persistent parameters of the equations are common across cross sections, then this kind of UR examination process is CUR process. [11, 16] examinations stands on on this assumption. If persistent parameters of the equation vary among cross sections, then this sort of unit root test process is an individual UR process. [14, 15, 17], ADF-Fisher (1979,1984) and PP-Fisher (1988) tests apply this process, among the six-UR tests, only Hadri examination assumes null hypothesis as non-stationarity. When primary variables were transformed into the first difference forms, unit root test was not found, which denoted that variables were incorporatedly ordered. . In midst of performing UR test, intercept is often added to know stationarity of variables combined factors. [20, 21] also added intercept term of confirmation of UR. Variables and factors are incorporated orderly, cointegration examination needs to be performed for making sure either there is longterm equilibrium connection . In general cointegration test

is divided into two kinds. One sort is [22] two-step residual-based test, including Kao and Pedroni test. The other category is advanced by Fisher which is a Johansen combined test. Pedroni cointegration test is divided into two types, one of which is a panel test, and the other is a group test. The study showed that ADF and series v-Statistic were non-significant. However, series v-Statistic denoted that null hypothesis was defied at 10% important level, series rho-Statistic at 5% main level, and the remaining statistics at the 1% significance level, connoting cointegration relationship existed. The Fisher Statistics respectively from trace examinatiion and max-eigen examination rejected the null hypothesis of no cointegration and at most 1 and 2 consolidation linkage at 1% important level level, which implied panel cointegration relationship existed. Besides, results inferred of longterm equilibrium connection among variables. Given variables were cointegrated, Fully Modified ordinary least square b (FMOLS) method was employed to guess about cointegration coefficient [23]. The coefficient of poverty is negative with numerically important at 1% level, which indicated that higher education could be increased 0.265 and 0.761% by the decreasing 1% in poverty. The results suggest us if the majority population is under poverty peoples can't get a higher education, it seems young generation move to market for the job rather than education due to hunger and basic needs. Similarly, the results of budget/ funds announced by higher education coming shows positive and significant relationship with higher education, that means higher education to be increased by 0.09% owing funds increasing. As mentioned above your generation prefer to do job and support to their parents as well as families, they can't afford higher education. Furthermore, the result of R^2 and adjust R^2 are enough to support the variables.

Conclusion

Present work was conducted on higher institutes, to explore the impact of poverty problem affecting tertiary level of country . Poverty data gathered from data index of the World Bank. Some years data of poverty was missing in the index of World Bank, the vacuum was filled by the collected data from published reports of Food and Agricultural Organization. Tame series data were collected for the time span 1990-2014, due to data availability and continuity in order to figure out the quantitative interactions among higher education, impoverishment in Pakistan.

Conclusions clearly showed a close and important connection in funds released by government and graduate produced universities of Pakistan. It is concluded that the poverty index of Pakistan was evaluated negative, the value of poverty negatively correlates with -0.3711. The values of poverty and the correlation of higher education with poverty are -0.0108.

Contributions of the Study Findings

Poverty study is based on Martin Trow's three-stage theory of higher education development. Each of these areas has important theoretical and policy implications. The theoretical consequences contribute important data to the policymakers from these findings.

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