

Volume 28, Issue 1**Research Announcement****Old Wine in New Bottles: Growth-Savings Nexus: An Innovation Accounting Technique in Pakistan**

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Abstract

This endeavor investigated relation between economic growth and gross domestic saving by employing new techniques. Utilizing time series data, in the model ARDL Bounds Testing, Johanson Cointegration Approach for long run association, not only Innovation Accounting Technique but also Toda and Yamamoto for causal friendship between economic growth and domestic saving are applied. Ng-Perron Test is used for order of integration of running actors. Results of particular study revealed that there exists a long run relationship between economic growth and domestic saving and tier association is robust at least in long span of time. Causal results through innovation accounting technique assert that there is one-way causality running from economic growth to gross domestic savings and very weak from opposite side supporting Sinha (1996) findings regarding Pakistan. Results by Toda and Yamamoto also confirm that economic growth leads gross domestic savings in Pakistan.

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