

EconWorld2018@Amsterdam

Food Inflation and Poverty Nexus: An Empirical Ascertainment

Nazima Ellahi¹¹Foundation university Islamabad, Pakistan

ABSTRACT

Reducing the poverty level is one of the prime objectives in the Millennium Development Goal (MDG) for all developing nations of the world. There are a number of factors contributing to enhance the poverty level. Among these factors, inflation is one of the major and highly concerned one that is eroding the development and growth level of Least Developed Countries (LDCs). Moreover, it leads to reduction in real value of money and termed as a serious hazard. More recently, the global food crisis has affected many poor across the globe. This study takes into account the food items related inflation and its link with the poverty at national as well as at global level. It also highlights the major causes of food inflation which would be quite useful for policy formulation process. For the purpose, time series data set has been taken into account ranging over the period of 16 years 1990-2015. Auto Regressive Distributed Lag (ARDL) Model is utilized to explore the short run and long run elasticities. The major findings suggested that a robust link exists between food inflation and poverty level.

KEYWORDS Food Inflation; Poverty; Auto Regressive Distributed Lag Model