

Appendix

Table 4. Variables description

Sr. No	Variables	Symbol	Definition/Construction	Source of Data
1	Workers' Remittances	WR	The transfer of foreign money by migrated workers to Pakistan.	SBP
2	Interest Rate	INT	Call money rate	SBP
3	Gold prices	GOLD	Gold prices is defining the price of gold in which the gold is traded on gold market.	SBP
4	Development expenditure	DEX	It is the type of expenditure which helps economic and social development on the country. For example, the expenditure on education, health etc.	SBP
5	Major agriculture crops	AGC	Major agriculture crops are wheat, rice, cotton, sugarcane, maize etc.	SBP
6	Inflation	INF	Inflation is the increase in price of goods and services over time in general level. Inflation rate is measured by $\text{CPI}_t - \text{CPI}_{t-1} / \text{CPI}_{t-1} * 100$	SBP
7	Foreign direct investment	FDI	FDI is the type of investment in which the people or organization of one country invested in company of property of other countries.	SBP
8	Trade openness	TO	Trade openness is defined as the ratio of trade to GDP	SBP
9	Exchange rate/Nominal exchange rate	EXR	Value of the rupees per unit of US dollar	IFS
10	Stock market performance	SP	Share prices	IFS
11	Investment return of Pak	IRPak	$0.8\text{INT}_{\text{PK}} + 0.2\text{dLn}(\text{SP}_{\text{PK}})$ Where INT_{PK} is interest rate and SP_{PK} is share prices of Pakistan.	IFS
12	Investment return of US	IRUS	$0.8\text{INT}_{\text{US}} + 0.2\text{dLn}(\text{SP}_{\text{US}})$ Where INT_{US} is interest rate and SP_{US} is share prices of US.	IFS
13	Real Domestic Product	GDP	It is defined as, the total value of final goods and services which are produced inside the boundary of the country in a given period.	WDI

14	Unemployment	UEMP	Unemployment is defined as, the people who want to work but do not have a job.	WDI
15	Foreign debts	DEBT	Foreign debt is a money that one country borrowed from outside country or organization. It is also known as external debt.	WDI
16	Real effective exchange rate	REER	It is defined as, the nominal effective exchange rate which is divided by a price deflator.	WDI
17	Secondary school enrolment	SSEN	Secondary school enrolment is defined as the number of students which are enrolled in secondary school.	WDI
18	Financial Liberalization	FINL	The data on financial liberalization is taken from Shabbir (2013). He used the following formula for the construction of financial liberalization.	Shabbir (2013)
19	Job skill index		The Job skill index is constructed with the help of weighted index of the different skill categories.	Bureau of Emigration and Overseas Employment
20	Wage rate	WAGE	The amount of wage that is paid to the worker per unit of time.	Bhatti(2018)
21	Democracy	DMOC	Democracy is the type of government in which people elect their representatives.	ICRG
22	Internal Conflict	ICNF	Internal conflict is defined as, the political violence inside the country and its actual influence on the governance.	ICRG
23	External Conflict	XCNF	External conflict is defined as, the problem such as; diplomatic pressures, trade restrictions etc. to the mandatory government from the foreign action to violent external pressure.	ICRG
24	Law and order situation	LAOR	Law and order situation is defined as the condition when people follow the rule and regulation. There is no violence or threats, and the police control all the crime etc.	ICRG
25	Corruption	CRRP	The illegal actions by powerful people such as bureaucrats, government, police etc.	ICRG
26	Terrorism index (no' of attacks)	TIND	It is the use of violence and threats for the purpose of achieving political and ideological objectives.	ICRG
27	Government stability	GS	Whenever the representative of the govt. change without any threats of violence it is known as political stability.	ICRG

28	Black Market Premium	BMP	Black market premium is define as, the percentage difference between the black market exchange rate and official exchange rate.	ICRG
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Table 4 describes the variables, symbols, definition of each variable and source of data.