



**THE ROLE OF HUMAN DEVELOPMENT AND
GOVERNANCE ON ERADICATION
OF POVERTY.**

**MOHD HAZIQ BIN JOMRAH@OSMAN
2017683932**

**BACHELOR OF BUSINESS AND
ADMINISTRATION (HONS) FINANCE**

JULY 2020

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Mohd Haziq Bin Jomrah@Osman

Student I.D. No. : 2017683932

Programme : Bachelor Of Business Administration (HONS) Finance
– BM242

Faculty : Faculty Of Business Administration

Thesis Title : The Role of Human Development and Governance on
Eradication of Poverty

Signature of Student :

Date : July 2020

TABLE OF CONTENT

	Page
ACKNOWLEDGEMENT	I
LIST OF FIGURES	VI
LIST OF TABLES	VI
ABSTRACT	VII
CHAPTER 1: INTRODUCTION	
1.1 Background of Study	1
1.2 Problem Statement	2
1.3 Research Objectives	3
1.4 Scope of Study	3
1.5 Limitation of Study	4
1.6 Significance of Study	4
1.7 Summary of Study	6
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	7
2.2 Theory of the Study	8
2.3 Empirical Evidence	8
2.4 Conceptual Framework	13
2.5 Summary	14

LIST OF FIGURES

Diagrams	Title	Page
2.1	Global Poverty Rate and Number of Poor	7
2.3.1 (a)	Human Development Index by Values, by country grouping	9
2.3.1 (b)	Indicators of Human Development Index	11
2.4	Conceptual Framework	13
3.2	Research Flow for Panel Data	15

LIST OF TABLES

Tables	Title	Page
1.6	Summary comparison of this study to related studies	5
3.3	Dependent and Independent Variables	16
4.2.1	Results of Descriptive Static	25
4.2.2	Result of Correlation Analysis	26
4.3.1 (a)	Human Development Index Stationary Test Result	26
4.3.1 (b)	Governance Stationary Test Result	26
4.3.2	Results of Heteroscedasticity and Serial Correlation	27
4.3.3	Result of Heteroscedasticity Test	27
4.3.4	Multicollinearity Test Result	28
4.3.5	Heteroscedasticity and Auto-correlation (HAC) Test	28
4.4.1.1	Result of Breusch-Pagan Lagrange Multiplier Test	29
4.4.1.2	Result of Hausman Fixed Random Test	29

ABSTRACT

To the best of my knowledge, the human development index and governance influence on poverty in Asia has never been investigated. Data retrieved through World Bank Data and Human Development Report provide a unique opportunity for studying the roles of the human development index and governance on poverty, given significant increases in the human development index while having inconsistent governance recent years. This article examines the roles of the human development index and governance on the incidence of poverty and the transitions into and out of poverty in Asia using data from the World Bank Data, Human Development Report from 2009 to 2018. The results indicate that the human development index and governance had poverty-reducing effects and negative relationship.