THE CORRELATION ANALYSIS BETWEEN QUALITY OF LIFE (QoL) AND ECONOMIC GROWTH : A STUDY OF MALAYSIA

MOHD. ZAIN BIN MOHDSAIP
2010197281

BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (BUSINESS ECONOMICS)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU, SABAH

JANUARY 2014

ACKNOWLEDGEMENT

Praise to be to Allah S.W.T, the lord of the Universe, blessing and peace be upon our great leader, Muhammad S.A.W, the most noble of Prophets and Messengers, on his family and all his companions.

I am grateful to thanks to Allah S.W.T in giving me strength to completing this thesis on time without many barriers of health and many more. A great deal of thanks to my advisor Tuan Haji Wahi Ismail, whose encouragement, guidance and support from the initial to the final enabled me to develop an understanding of the subject and hopefully can accept my precious work with better mark, and thanks for all the help. My family that always pray and wishes for the best to me, and also supporting me in financial and advices, thanks so much. It is also a pleasure to thank those who made this thesis possible especially to all my friends that always give different opinion on finishing this thesis, and lastly to the future researcher that choose this thesis as one of their references.

Thank you.

ABSTRACT

The quality of life (QoL) is a well-known measurement to compare citizens life facilities across countries of the world but to extent are improvements in quality of life associated with economic growth. Many researchers reveal that quality of life (QoL) conditions almost always point to a strong positive association with real GDP per capita. The purpose of this study is to determine the relationship between quality of life and economic growth of Malaysia. Morever we also want to examine whether improvements in quality of life is associated with economic growth. In this paper four indicator of quality of life are discussed and tested. This indicator consisting of crime rate, mortality rate, carbon dioxide emission and unemployment rate. The results of some statistical calculations showed that there are positive correlation between GDP pc, crime rate, mortality rate, carbon dioxide emission and unemployment rate. The findings of the study were further discussed.

TABLE OF CONTENT

Page

DECLARATION.....ii

USE OF STUDY.....iv

ACKNOWLEDGEMENT.....v

PREFACE.....vi

ABSTRACT.....vii

LIST OF TABLES.....viii

LIST OF FIGURES.....ix

LIST OF ABBREVIATIONS.....x

CHAPTER

1 INTRODUCTION

1.0 Background of Study.....1

1.1 Problem Statement.....5

1.2 Research Objectives.....7

1.3 Scope and Limitation of the Study.....8

1.4 Significance of the Research.....8

1.5 Chapter Outline.....9

2 LITERATURE REVIEW

2.0 Literature Review.....11

2.1 Use of QoL Indicators in the Academic Literature.....15

2.2 Conceptual Framework.....16

3 DATA AND METHODOLOGY

3.0 Introduction.....17

3.1 Data, Population and Sampling Methods.....17

3.1.1 GDP per capita.....18

3.1.2 Mortality Rate.....18

3.1.3 Carbon Dioxide (CO2) Emission per capita.....18

3.1.4 Crime Rate.....19

3.1.5 Unemployment Rate.....19

3.2 Analysis of Data.....19

3.2.1 Unit Root Test.....20

3.2.2 A Single Linear Regression Model.....21

3.2.3 Multiple Regression Model.....21

3.2.4 Johansen Co-integration Method.....21

3.2.5 Granger Causality Test.....21

3.3 Hypothesis Development.....22

3.4 Conclusion of Chapter.....23

4 RESULTS AND FINDINGS

4.0 Introduction.....24

4.1 Results.....25

4.1.1 Unit Root Test.....25

4.1.2 Single Regression Model.....26

4.1.3 Multiple Regression Model.....29

4.1.4 Johansen Co-integration Test.....31

4.1.5 White Test.....33