



UNIVERSITI TEKNOLOGI MARA

**IMPACT OF URBANIZATION GROWTH ON
MALAYSIA CO2 EMISSIONS**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

Faculty of Business and Management

December 2018

ABSTRACT

The study relating to the impact of urbanization growth on carbon dioxide emissions by previous researcher is comprehensive. Urbanization happened as a result from modernization of social and economy. It is pivotal for Malaysia to deeply investigate the linkage between urbanization growth and carbon dioxide (CO₂) emissions so that Malaysia can achieve its target to reduce pollution. Environmental Transition Theory (ETT), Compact City Theory (CCT) and Ecological Modernization Theory (EMT), are used in order to gain a better understanding towards the impact of urbanization growth on Malaysia CO₂ emissions throughout the period of 1971 to 2014. This study aims to discover the dynamic impact of GDP per capita, urban population growth and financial development on CO₂ emissions. This study expects that increase in economic growth and urban population growth will cause increase in carbon dioxide emissions. As for financial development, it has negative relationship with carbon dioxide emissions. In this regards, the findings in this research paper perhaps generate some knowledge and could support policymakers in managing urbanization thus implement ways to reduce emissions at the same time sustaining development.

ACKNOWLEDGEMENT

Firstly, praise be to Allah for giving me the opportunity to complete my research paper entitled "Impact of Urbanization Growth on Malaysia CO2 Emissions". Secondly, my gratitude and lots of thanks goes to my lecturer, Mdm Tay Bee Hong as my advisor for assisting me in doing my research paper and guide me with her knowledge whenever I had problems in completing this research paper.

Thanks to UiTM Johor, faculty of Business Management, for making this subject as one of the important subject which helps us to learn more for our benefit in future. Finally, I would like to extend my appreciation to everyone who had assisted me along the completion of this research paper. Sincere thanks to all of the lecturers, coordinator, family and friends that keep supporting me and encourage me to complete this research paper.

Thank you very much.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Urbanization will have multiple impacts on environment, which one of them is lead to increase in level of CO₂ emissions. Urbanization takes place when people from rural areas decide to have a better living and promising economy in urban areas. There were almost half of the world population live in urban areas and by the year 2050, it has been estimated that 64% of population in the developing countries will urbanized. Along with the movement of people from rural to urban for better living standards and income levels, the level of consumptions will gradually increase where from survival mode, it shifted to development and even enjoyment mode, which therefore contribute to the increase in energy use (Ji and Chen, 2015). Liddle and Lung, 2010; Sadorsky, 2014; Wang et al., (2016) proved that there is positive relationship between urbanization and CO₂ emissions. Zhu and Peng (2012) mentioned three contributing factors that affecting CO₂ emissions include energy use by construction sector for better infrastructure and transportation, residential and industrial consumptions plus the modification of woodlands and grasslands for urban development. Moreover, the usage of residential home appliances such as air-conditioning and water heater would also contribute to the rise in level of CO₂ emissions. The increase of carbon dioxide emissions in fact become a major threat to the environment and world.

According to the World Development Indicators, Carbon Dioxide Emission is a naturally occurring gas fixed by photosynthesis into organic matter. A byproduct of fossil fuel combustion and biomass burning, it is also emitted form land use changes and other industrial processes. It stemming from the burning of fossil fuels and the manufacture of cements. They include carbon dioxide produces during consumption of solid, liquid and gas fuels and gas flaring. GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.