



**THE EFFECT OF HUMAN CAPITAL  
ON CARBON EMISSION  
IN MALAYSIA**

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**JUNE 2019**

# **DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION  
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**Hereby, declare that:**

- **This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.**
- **This project-paper is the result of my independent work and investigation, except where otherwise stated.**
- **All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.**

**Signature: \_\_\_\_\_ Date: \_\_\_\_\_**

## TABLE OF CONTENT

	<b>Pages</b>
Title Pages	i
Declaration of Original Work	ii
Letter of Submission	iii
Acknowledgment	iv
Table of Content	v-vii
List of Figures	viii
List of Tables	ix
List Abbreviation	x
Abstract	xi
<b>CHAPTER 1</b>	
1.1 Background of Study	1-3
1.2 Problem Statement	4
1.3 Research Objective	5
1.3.1 General Objective	5
1.3.2 Specific Objective	6
1.4 Research Question	6
1.5 Significant of Study	7
1.6 Scope of Study	7
1.7 Limitation of Study	8
<b>CHAPTER 2</b>	
2.0 Introduction	9
2.1 Human Capital	9-11
2.2 Energy Consumption	11-13
2.3 Economic Growth	13-15
2.4 Urbanization	15

<b>CHAPTER 3</b>	3.0 Introduction	16
	3.1 Propose of Study	16
	3.2 Types of Investigation	16
	3.3 Time Horizon	17
	3.4 Data Analysis and Treatment	17
	3.4.1 Descriptive Statistic	17
	3.4.2 Diagnostic Test	17-19
	3.4.3 Regression Analysis	19
	3.5 Theoretical Framework	19-20
	3.6 Model and Data Description	20-22
	3.7 Summary of Data Description	22
	3.8 Hypothesis for The Model	23
<b>CHAPTER 4</b>	4.0 Introduction	24
	4.1 Descriptive Statistic	24-26
	4.2 Diagnostic Test	26
	4.2.1 Multicollinearity Test	26
	4.2.2 Unit Test Root Test	27-28
	4.2.3 Co-Integration Test	28-29
	4.2.4 Granger Causality Test	29-30
	4.3 Regression Analysis	30-31
	4.3.1 Hypothesis Analysis	31
	4.3.1.1 CO2 and HC	31-32
	4.3.1.2 CO2 and ENE	32
	4.3.1.3 CO2 and GDP	32-33
	4.3.1.4 CO2 and URB	33

## **ABSTRACT**

The result for this study shows that how important human capital development to restrict the carbon emission in Malaysia. Carbon emissions become the reason to the extinction of the flora and fauna and also bring the harmful to the human. This paper studies the long and short run effect of human capital on carbon emission in Malaysia from 1980 to 2014. In this study, co-integration and granger causality test that have been used to prove the relationship between carbon emission and human capital. Result shows a significant long term relationship between human capital and carbon emission. This is showing that improvement in human capital can make the effect on carbon emission reduction. Granger causality test results prove that the no bidirectional causality that exist between human capital and carbon emission in short term. The results of this study show that human capital development through education will help carbon emission reduction in the long term. This study will help the policy maker revise the policy about carbon emission and need to find the solution by education.