

THE RELATIONSHIP BETWEEN POVERTY, INFLATION, POPULATION AND INCOME INEQUALITY TOWARDS ECONOMIC GROWTH IN MALAYSIA

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DECLARATION OF ORIGINAL WORK



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ABSTRACT

This paper is to study the relationship between poverty, inflation, population and income inequality towards economic growth in Malaysia. This research that been conducted by using secondary data where sources collected from Economic Planning Unit and World Bank which covered the duration from year 1984 to 2014. Therefore, Gross Domestic Product (GDP) will be dependent variable while Inflation (INF), Population (PP), Poverty rate in Urban Area (PVU) and Income Inequality (IE) as independent variables. A unit root test involves Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) and Ordinary Least Square (OLS) is used to estimate the unknown parameters in a linear regression mode, diagnostic checking and pairwise Granger Causality. The result shows the result of independent variables have positive and negative relationship towards dependent variables in this study.

Keywords: Economic growth, poverty, inflation, population, income inequality, ADF, PP, OLS, Pairwise Granger Causality