



EDUCATION, UNEMPLOYMENT, AND ECONOMIC
GROWTH IN MALAYSIA

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JUNE 2012

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ACKNOWLEDGEMENT

I took the effort in this project. However, it may not be possible without the support and assistance of many individuals. I would like to express my gratitude to all of them.

Firstly, thanks God because He gave me strength in completing this thesis on time even though there are many barriers while doing this research. I am really grateful.

I wish to express my sincere gratitude to our advisors Hj. Wahi bin Hj. Ismail and Mr. Hylmee bin Matahir for valuable guidance and advice. They inspired me greatly to work in this project. Without their help, this study won't be completed.

I would like to express my special gratitude towards my beloved family that always prayed, inspired, encouraged and fully supported me in every trial that came. Thanks also to them because giving me not only financial, but also in moral support.

Finally, thanks also to my friends who willingly helped me gather the necessary data and information needed for this compilation. I am really grateful with the help.

ABSTRACT

The economic progress and development of a country made by most countries is caused by many factors. Education is often cited as a major contributing factor. Many developing countries realized the importance of education, Malaysia also no exempt. The government of Malaysia has started giving more attention to improve the quality of education. Educational attainment was not indirectly effect the economic growth but it has relationship with labor productivity. This paper also discussed about the unemployment and economic growth. There is inverse relationship between unemployment and economic growth. In this paper, we used time series data obtained from World Data Bank and The Department of Statistic to collect the data of educational attainment, data of unemployment and data of Economic Growth of this country from 1982 until 2010. The methods that we used are Unit Root Test, Ordinary Least Squared (OLS), Co-integration Test, and the Granger Causality Test.

Keywords: educational attainment, unemployment, economic growth, Unit Root Test, Ordinary Least Squared (OLS), Co-integration Test, the Granger Causality Test