MAJLIS BANDARAYA IPOH

(MBI)

INTERNSHIP REPORT

1 MARCH 2023 - 15 AUGUST 2023

☺ nbilaazmann@gmail.com
☺ 013-8718835

PREPARED BY
NURUL NABILA BINTI AZMAN
2020483084
BA242

Executive Summary__

This internship report is based on a six-month internship programme that I successfully completed in Majlis Bandaraya Ipoh (MBI) from 1 March 2023 to 15 August 2023 as part of my Bachelor of Business Administration (Hons.) Finance at UiTM Campus Arau, Perlis. As an individual who was absolutely new to the practical, business-oriented context, every hour spent in the Treasury Department provided me with valuable experience that cannot be expressed in words. Nonetheless, they were all beneficial to my profession.

This report comprises how the Majlis Bandaraya Ipoh or to be specific Treasury Department works. Basically, I did my internship at three different units, which are the Expense and Salary unit, the Parking unit, and the Tax unit. At each unit, I gained a lot of knowledge and experience.

In addition, Majlis Bandaraya Ipoh have many wings which are Unit Jabatan Teknologi Maklumat, Unit Pesuruhjaya Bangunan, Unit Audit Dalam, Unit Perundangan, Unit Korporat dan Aduan Awam, Unit Pusat Setempat, Unit Pentadbiran UTC Perak, and many more.

Table of Content__
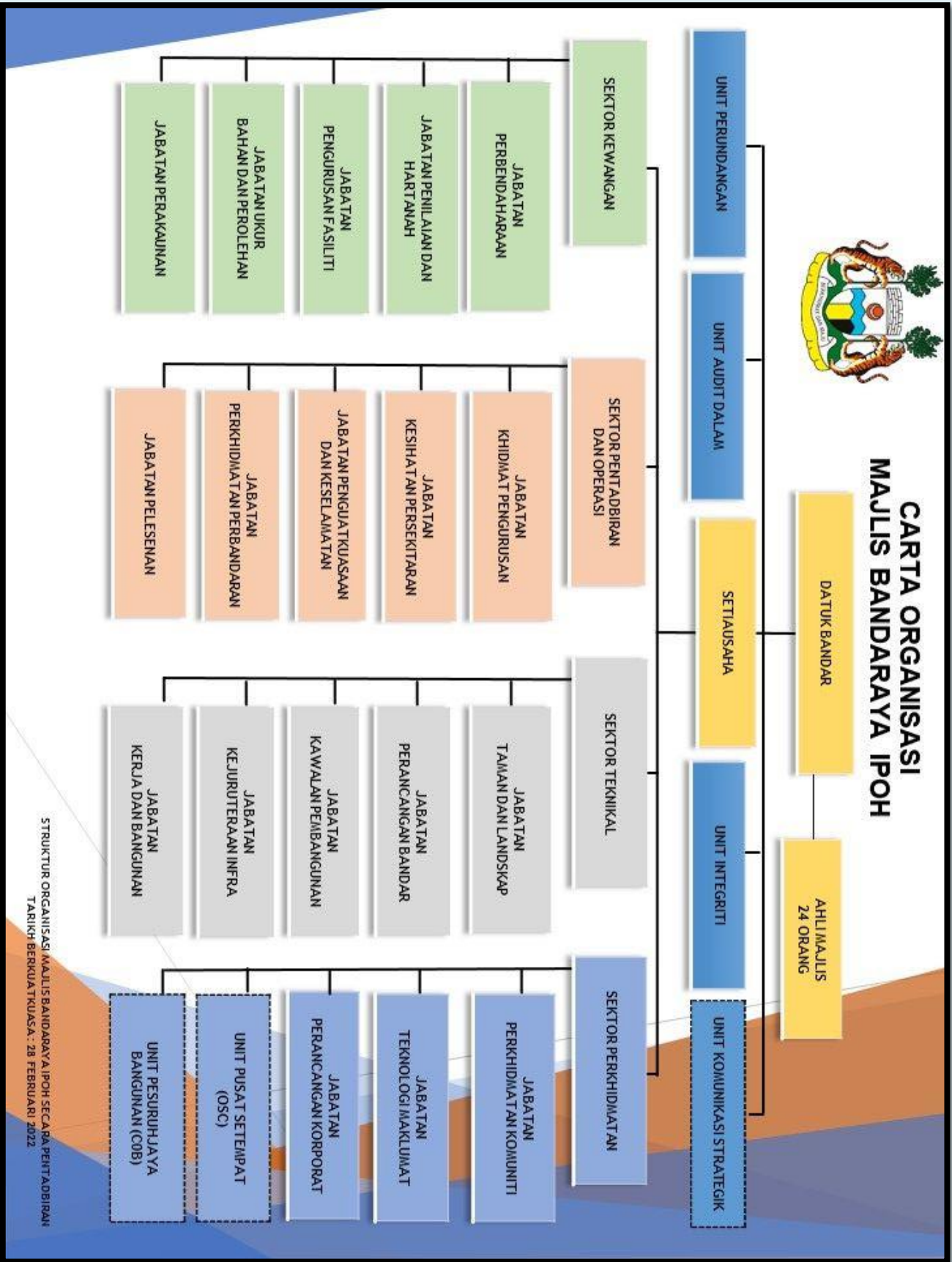
Company Profile__

Name	Majlis Bandaraya Ipoh (MBI)
Location	Persiaran Bandaraya, Pusat Perdagangan Greentown, 30450 Ipoh, Perak.
Background	Ipoh City Council was initially established in 1893 as a Sanitary Board by the British. It received municipal status in 1962 and was officially designated a city on May 27, 1988, as a result of its continuous and ongoing growth. In overall, the Ipoh City Council is a Corporate Body developed under the Local Government Act 1976 (Act 171), being the governing body responsible for controlling the Ipoh City area based on local interest, as well as a local planning authority established under the Town and Country Planning Act 1976 (Act 172); MBI is promptly tasked by Law with developing and implementing planning for development policies based on consolidated locality in accordance with the regulations set by the Government. The Council currently comprises an area of 643 square Kilometres and has a population of around 720,000 people. As the state capital of Perak, Ipoh serves as a hub for administration, trade, sports, finance, politics, religion, and education. Ipoh City Council, presently led by the Mayor, is aiming to make the city more dynamic and distinct.
Vision	"Ipoh Bandar Wilayah Pintar Berteraskan Ekosistem Mampan Dan Bestari Sejahtera"
Mision	"Memperkasakan Pengurusan Bandar Secara Inklusif Ke Arah Bandar Raya Pintar, Rendah Karbon Dan Bestari Sejahtera Menjelang 2030"
Objectives	• Providing all facilities and services as a foundation for attaining a habitable, high-quality, and sustainable quality of life in order to increase the city's citizens' level of living. Improves the efficiency of the service delivery system.

	• Empowering smart and sustainable development planning in all fields. • Improve infrastructure and quality public facilities. • Empowering inclusive community engagement to achieve future development. • Conserving the environment and improving a clean environment. • Preserving and conserving local heritage and cultural arts. • Encourage the growth of vibrant industry, trade and tourism.
Goal	Improve the attractiveness of Ipoh in accordance with its status as the state capital and administrative centre of Perak Darul Ridzuan.

Organizational Structure

CARTA ORGANISASI
MAJLIS BANDARAYA IPOH

DATUK BANDAR

AHLI MAJLIS 24 ORANG

SETIAUSAHA

UNIT PERUNDANGAN

UNIT AUDIT DALAM

UNIT INTEGRITI

UNIT KOMUNIKASI STRATEGIK

SEKTOR KEWANGAN
- JABATAN PERBENDAHARAAN
- JABATAN PENILAIAN DAN HARTANAH
- JABATAN PENGURUSAN FASILITI
- JABATAN UKUR BAHAN DAN PEROLEHAN
- JABATAN PERAKAUNAN

SEKTOR PENTADBIRAN DAN OPERASI
- JABATAN KHIDMAT PENGURUSAN
- JABATAN KESIHATAN PERSEKITARAN
- JABATAN PENGUATKUASAAN DAN KESELAMATAN
- JABATAN PERKHIDMATAN PERBANDARAN
- JABATAN PELESENAN

SEKTOR TEKNIKAL
- JABATAN TAMAN DAN LANDSKAP
- JABATAN PERANCANGAN BANDAR
- JABATAN KAWALAN PEMBANGUNAN
- JABATAN KEJURUTERAAN INFRA
- JABATAN KERJA DAN BANGUNAN

SEKTOR PERKHIDMATAN
- JABATAN PERKHIDMATAN KOMUNITI
- JABATAN TEKNOLOGI MAKLUMAT
- JABATAN PERANCANGAN KORPORAT
- UNIT PUSAT SETEMPAT (OSC)
- UNIT PESURUHJAYA BANGUNAN (COB)

STRUKTUR ORGANISASI MAJLIS BANDARAYA IPOH SECARA PENTADBIRAN
TARIKH BERKUATKUASA : 28 FEBRUARI 2022

Training Reflection

Responsibilities and Task Given

Salary and Expenses unit	Parking unit	Tax unit
• Calculate the salaries. • Manage payment vouchers. • Stamp voucher that had been paid.	• Manage Park @Perak apps. • Reply to customers' complaints. • Answering customers' calls.	• Manage the tax payments for customers at the counter. • Print out customers' bills.

Knowledge and Technical Skill Related to Personal Development

☺ **Communication skills**: Being able to express oneself effectively, actively listen to others, and build strong relationships are vital for personal and professional development.

☺ **Time management**: Efficiently allocating time for various activities and priorities is crucial for productivity and personal growth.

☺ **Critical thinking**: Being able to analyze situations objectively, think critically, and make informed decisions contributes to personal development.

☺ **Confidence and assertiveness**: Building self-confidence and assertiveness can help overcome challenges and pursue personal goals.

Benefits Receive

☺ **Free Wi-fi**
☺ **Meal provided in the office**
☺ **Stationary**

Duration of Internship

☺ **1 March 2023 – 15 August 2023**

Working Hours and Day

☺ **Working Hour – 8.00 a.m. till 5.00 p.m.**
☺ **Working Day – Monday to Friday (5 days in a week)**

UNIVERSITI TEKNOLOGI MARA

THE IMPACT OF MALAYSIA CITY COUNCIL ON ECONOMY GROWTH

NURUL NABILA AZMAN

BBA (H) FINANCE

July 2023

CHAPTER 1: INTRODUCTION

1.0 Introduction

The local government is a public organisation that offer its community urban services. It is consequently responsible to constituents, such as general public, state and federal governments that give financial support or grants. To promote accountability and openness, there are rules and regulations to go with. The local government is expected, like other public institutions, to provide its constituents with satisfactory services. City Council, often known as City Hall, is a form of local government. City Council is a local authority that has been promoted from the level of municipal council after satisfying specific criteria, such as having a population of more than 500,000 people and an annual revenue of more than RM100 million. There are now 18 local authorities that have been granted city council/hall status. The third-tier administrative system used by the Malaysian government at the local level is called Local Authority (LA), (Nik and Mohd). In addition, according to Azman (2009), LA performance serves as a stimulant for political, social, and economic stability. Numerous environmental and social changes in the urban environment are caused by a sharp increase in population density (Faizah, 2008). A wide range of functions are represented by local authority. From author, Ahmad (1999) stated that LAs are authorised parties in the formation of local and structural plans, catalysts for social and economic growth, stewards of urban environment protection and cleanliness, and tax and revenue collectors. However, interested and impacted parties have repeatedly brought up concerns about the LAs' performance weaknesses (Hamdan, 2010). Moreover, on 10 June 2019, the Malaysian government unveiled Malaysia's new economic growth strategy in an effort to ensure that everyone can benefit from wealth while addressing economic issues (Malaysia Voluntary National Review (VNR) (2021). As the author stated, the City Council is one of the government's local authorities in order to play a role in many functions, for example, collecting taxes, permits and licences, renting, and many more. All this can give revenue to the government and, at the same time, improve Malaysia's economy growth

1.1 Background of Study

Malaysia has three forms of local governments. For instance, city councils, municipal councils, and district councils. Local governments' income is derived from a number of different sources, including taxes, non-tax revenue, and federal and state government allocations. The three types of local government have distinct responsibilities that reflect their size and capacity. Basic infrastructure and public utilities must be provided by all three types. One of the municipal authorities is the city council, which also handles revenue collection and law enforcement. In Malaysia, city councils are local government bodies responsible for the administration and governance of cities. They are also known as City Halls or City Councils, depending on the city's status. The structure and responsibilities of city councils can vary depending on the city's classification, as there are different tiers of local government in Malaysia. Until 2023, there are 18 local authorities that have obtained the status of City Council/Hall namely.

Table 1: City Council name at each city in Malaysia

Dewan/Majlis Bandaraya	Negeri	Tarikh Diwartakan/Pengisytiharan
Dewan Bandaraya Kuala Lumpur	Wilayah Persekutuan	1 Februari 1972
Majlis Bandaraya Ipoh	Perak	27 Mei 1998
Dewan Bandaraya Kuching Utara	Sarawak	1 Ogos 1998
Majlis Bandaraya Kuching Selatan	Sarawak	1 Ogos 1998
Majlis Bandaraya Melaka Bersejarah	Melaka	15 April 1989
Majlis Bandaraya Johor Bahru	Johor	1 Januari 1994

Dewan Bandaraya Kota Kinabalu	Sabah	2 Februari 2000
Majlis Bandaraya Miri	Sarawak	20 Mei 2005
Majlis Bandaraya Alor Setar	Kedah	21 Disember 2003
Majlis Bandaraya Shah Alam	Selangor	10 Oktober 2003
Majlis Bandaraya Petaling Jaya	Selangor	20 Jun 2006
Majlis Bandaraya Terengganu	Terengganu	1 Januari 2008
Majlis Bandaraya Pulau Pinang	Pulau Pinang	1 Januari 2015
Majlis Bandaraya Iskandar Puteri	Johor	22 November 2017
Majlis Bandaraya Seberang Perai	Pulau Pinang	16 September 2019
Majlis Bandaraya Seremban	Negeri Sembilan	1 Januari 2020
Majlis Bandaraya Subang Jaya	Selangor	20 Oktober 2020
Majlis Bandaraya Pasir Gudang	Johor	22 November 2020

Sources of data is from Local Government Department (Ministry of Local Development)

1.1.1 Challenges facing by the city council

One of the challenges that the city council is facing is customer satisfaction. When we highlight about customer satisfaction, it is very related to customer services. How the city council keeps their services in a good term to give satisfaction to their customers. Satisfaction means to feel content after what the person desired or wanted. It is difficult to know whether the customers are satisfied with the availability of the product or services (Kabu & Soniya, 2017). It is not enough to simply assume that because people purchase your product, they will be loyal or satisfied. Answering queries and offering information can be considered customer

service. Tracking consumer habits and predicting requirements can be complicated (Zeithaml et al, 1990). For the City Council, customer satisfaction is very important as their revenue comes from customers, for example, taxes, rental, fees and many more. When customers feel satisfied with the services, they will not have any problems paying all the expenses they need to pay to the city council. For example, if customers are dissatisfied with the municipal council's tax collection services, they will be unwilling to pay the tax or will pay it overdue. It can be proven when many customers make a report about their satisfaction. It will impact the city council revenue and at the same time will impact Malaysian economic growth too.

1.1.2 Proportion of all revenue collected by the Malaysia city council

As everyone seems to know, a city council is a type of local government in Malaysia. There are 149 local authorities (including Kuala Lumpur City Hall), including 12 City Halls/Councils, 38 Municipal Councils, and 99 District Councils. This comprises the recently founded Hang Tuah Jaya Municipal Council Malacca on January 1, 2010, Putatan District Council, and Pitas District Council in Sabah. City Council/City Hall is a local government organisation that was promoted from municipal council status after fulfilling certain criteria, such as having an overall population of more than 500,000 people and a yearly revenue of more than RM100 million. (Local Government Department,2023). In addition to providing basic services and collecting and managing waste and rubbish, city council has the authority to collect taxes, enact regulations and laws, and grant licences and permits for any trade within its jurisdiction. Revenue is one of the most important objectives of the local council. They must always find the way to gain the revenue from public and customers. They had provide many services like parking, land, licenses and many more. However, There are insufficient financial and human resources, and services are frequently plagued by problems as a result of poor management, incompetence, and arrogance. (Lee & Ambrin 2006). "Public organizations are identified as rigid bureaucratic cultures which are shaped by their own internal interests, and are therefore not responsive to the needs or preferences of those who receive public services: ordinary citizens" (Minogue, 1998). Indeed, it has been reported that local government is involved in several kinds of issues, including administrative carelessness among local governments, unproductive state administration practises among local governments, the occurrence of numerous cases of irregularities in local government, and political motivations that prompted the government to restructure the institution. (Instan, 2007).

1.2 Problem Statement

City council is a type of local government that is responsible for providing public goods and services to all groups of citizens who live in their communities. Local government makes the greatest contribution by providing efficient and effective services. In Malaysia, city councils have many functions, which involves mandatory functions such as licencing, waste and garbage collection, street lighting, and public health activities, as well as discretionary runs that include all development functions such as supplying amenities and parks for recreational use (Mariana et al, 2014). The major functions of Malaysian local authorities can be summarized as public, social, development and environmental.

The city council must be more attentive to local concerns and capable of carrying out its responsibilities effectively. Furthermore, in order to ensure that the services are always of the highest quality, an evaluation of their performance is required. However, there are significant issues that the municipal council must address.

Since everyone now owns a smartphone, the city council has created several kinds of apps to make it simpler for everyone to settle matters. People can simplify their daily tasks by using applications, such as paying parking fees, filing taxes online, and many other things. They are not required to go and settle on their own. The number of personal interactions should be kept to a minimum since COVID-19 happens in Malaysia. The apps do, however, have a drawback for example if many users use them simultaneously, the system may get overloaded. Many people have the same issue, and some of them have also provided negative feedback. Since there are problems virtually every week, the general public is not particularly satisfied with the services. When they were not satisfied with the services provided by the city council, it will give a bad impact to their revenue and effect the economic growth as well.

Nevertheless, the Malaysian city council always tries to provide the best services for the customers to gain revenue. As we know, their revenue mostly comes from their services, for example, taxes, building and land, licences, and many more. In addition, the Local Government Department for 2023 has stated that annual revenue will exceed RM100 million. Overall, the study's researchers are concerned about how the Malaysia city council may influence Malaysia's economic growth. In addition, this study is conducted to identify the factor affecting Malaysia economic growth namely city council, government expenditure and interest rate as dependent variables for 32 years from 1990 to 2021.

1.3 Research objectives

1.3.1 General objectives

The general objective of this study is to investigate the relationship between city council contribution and economic growth in Malaysia.

1.3.2 Specific Objectives

- To examine the impact of city council, government expenditure, and interest rate on Malaysia economic growth.
- To assess the most significant independent variable; city council, government expenditure and interest rate affecting economic growth.

1.4 Significance of Study

Malaysian city councils have become an important source of concern for emerging countries, posing social and economic issues. Previous studies had only looked at the relationship between city councils and economic growth. The purpose of this research is to fill in the blanks and determine whether selected independent variables have significant relationships with economic growth.

1.4.1 <u>Important to citizens</u>

City councils are the closest level of government to citizens, and studying their interactions with the public helps the government understand citizen needs and concerns. This knowledge can lead to better citizen engagement and more responsive governance.

1.4.2 <u>Important to the City Council</u>

Research on city councils provides insights into their structure, functions, and performance. Understanding how city councils operate and make decisions helps the government ensure effective governance at the local level.

1.4.3 <u>Importance to body of literature</u>

The body of literature on city councils can inform discussions on institutional design and reform within local governance structures. It identifies strengths and weaknesses in existing systems, guiding efforts to enhance governance effectiveness.

1.4.4 <u>Importance to the Malaysia's government</u>

Research on city councils provides valuable insights into their functions, efficiency, and effectiveness. This information helps the government develop and refine policies related to local governance and urban management.

1.5 Scope of study

This research focuses on how Malaysia's city council affects its economic growth. This study uses data from Malaysia to address the study's research objectives. The study's period of time is roughly from 1990 to 2021 (32 years). In addition, the data from variables are modelled using time series data (yearly basis). In this study, economic growth was used as dependent variable and city council, government expenditure and interest rate for independent variable.

1.6 Limitation of study

Limitations of a study refer to the factors or aspects that may impact the results and conclusions of the research in a negative or restrictive way. This study suffers from several limitations. First, there is a data collection method. The accuracy and reliability of data collection instruments can impact the quality of the data gathered. Next is confounding variables. Uncontrolled variables that influence both the independent and dependent variables can affect the study's internal validity.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

A country's economic growth can be measured by the increase or growth of its Gross Domestic Product (GDP). Rapid economic growth will lead to increases in per capita income and changes in national economic categories. As a result, economic growth is an important indication of economic development. The objective of this study is to examine the relationship between city council contribution and economic growth in Malaysia. In addition, to support this study, a review of previous studies on the correlation between city council, government expenditure and interest rate, and economic growth has been published by research papers.

2.1 Economic growth (dependent variable)

Economic expansion has been referred to as our time's major narrative (Friman, 2002). Increasing economic output, which is the concept of economic growth, is quantified as an increase in Gross Domestic Product (GDP) (Hanna, 2018). Many studies have been conducted in order to determine the link between city council and economic growth. However, Zanib (2022) stated that the findings of these investigations have been mixed and show either negative or positive effects of Malaysia city council on economic growth. By Simon (1997) stated that there is relationship between economic growth with several factors for example technology, income and many more.

2.2 City Council

Stata tool with 3-stage regression model found a simultaneous relationship between government quality and economic growth in Vietnam from 2006 to 2017. The findings indicate a favourable association between improved government quality and economic growth (Nguyen, 2019). However, Fraj *et al.* (2018) using a sample of 11 developing countries from 1996 to 2008, the authors suggested that governance is unrelated to growth unless there is a relationship between governance and other successful economic channels in the country.

According to Ludwig Sehmidt and Herald (2019) using 28 countries from 2000 to 2017, it stated that government and economic growth is positively significant. This was supported by Hamid Lahouij (2017) using sample of US from 2002 to 2014. The result show significant positvely for government and economic growth whether the government is in low-income economic, lower-middle income economic and upper-middle income. Next, Hisham (2022)

found that governance are significant and have a positive significant between government performance and economic growth.

On the other hand, Ogbuabor et al. (2020) found that institutional quality has an insignificant influence on Nigerian development.

2.3 Government expenditure

The study of the relationship between government expenditures and economic growth has attracted an extensive amount of attention throughout the years as academics dispute. However, there is no agreement among researchers. Gurdal et al. (2021), Shkodra et al. (2022), and Kirikkaleli & Ozbeser (2022) using period data from 1990 to 2020 have found that government expenditure has a positive impact on economic growth. The Ricardian Equivalence model, on the other hand, contends that in the presence of a forward-looking agent, expenditure by the government has no effect on economic growth. (Badaik and Panda, 2022)

Edmund (2018) conducted a study in Tanzania uses panel data for 20 regions spanning from 1996 to 2014. This study was stated a result which is insignificant relationship. Similarly, from Nurudeen and Abdullah (2010) stated the share of government current expenditure in GDP was shown to be insignificant in explaining economic growth. This study uses disaggregated analysis for Nigeria from 1970 to 2008.

In other point of view, Eugene Msizi (2022) using a period data from 1990 to 2021 in South Africa. It show significant positively relationship between government expenditure and economic growth. Similarly, the author Lelly (2020) using period 2005 to 2019 in Indonesia. The link between variable personnel spending and important expenditure on economic growth has a positively significant effect. Personnel spending give an impact to government expenditure as well. Closely, in India, Ranjan KD & Sharma C, (2008) examined the effect of government development expenditure on economic growth during the period 1950-2007. The authors discovered a significant positive impact of government expenditure on economic growth.

2.4 Interest Rate

The phrase "interest rate" in economic theory refers to the value produced by labour of a value that has been saved or invested. These rates will demonstrate the relationship between various currency deals. (Patterson & Lygnerud, 1999). According to the study of India for the period of 1991 to 2019 the result shows that the economic growth has positive relationship with rate of interest (Juhi, 2022). Nevertheless, according to Udoka and Roland (2012), interest rates are one of the indicators that reflect a country's economic growth when seen as a percent of GDP. They do, however, remind out that an increase in interest rates also indicates a fall in GDP which is its show a negative relationship.

The positive development is that their analysis suggests that interest rates have no significant effect on economic growth. According to European studies, when interest rates rise, actual growth rates will fall (Giovanni et al., 2009). According to Dr Rabichandra and Juhi (2022) for the period data from 1980 to 2020. The result show insignificant result for interest rate and economic growth. Similarly, from Sergey et al. (2017) using a period data from 2010 to 2015, it stated insignificant relationship between interest rate and economic growth.

On the other hand, a study undertaken by the World Bank in 1993 discovered that there is a significant relationship between real interest rates and the country's economic growth. They believe that this association exists only when there is no inflation in the country. Many researchers believe that there is a considerable relationship between the real rate of interest and the country's GDP. (De Gregorio & Guidotti, 1995).

CHAPTER 3: METHODOLOGY

3.0 Introduction

Chapter 3 introduced the type of method used in this research. There are three section in this chapter. First is the data collection discussing the data collection process and sources of data. Secondly, is the research variable. Lastly, the methodology where we discussed about general model and model of the study.

3.1 Data Collection

3.1.1 Data Collection Process

The panel analysis in this study is conducted completely with secondary data. Secondary data is historical or past research data acquired by other academics and published in their works such as journal articles, books, and government publications. Because the variables in this study are economic factors, data for variables cannot be acquired through interviews or surveys conducted by the researchers. The panel data obtained in this study runs from 1990 to 2021 on an annual basis for 32 years, and the nations considered are Malaysia.

Initially, this study intended to do panel analysis from 1990 to 2021. As a result, the data collection time is adjusted based on the availability of the source. Malaysia is selected because they have sufficient data and on this research paper, Malaysia had been focus since the objective is to investigate the relationship between city council contribution and economic growth in Malaysia. In addition, Malaysia has sufficient data on economic growth or city council, government expenditure, and interest rate. The reason behind this is to examine economic growth regarding the independent variables chosen.

This study has taken the economic growth as the dependent variable while city council, government expenditure, and interest rate are the independent variables used.
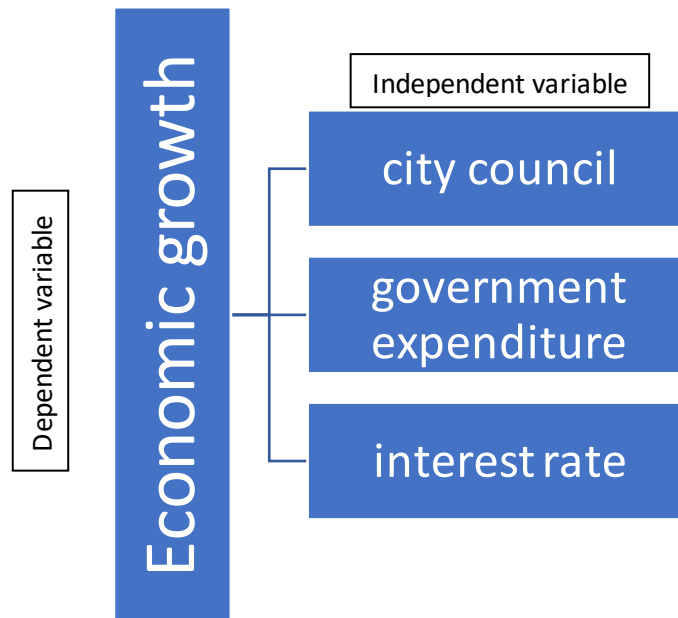
3.1.1.1 Sources of data

All data are collected from World Bank. The data was collected from period 1990 until 2021 (32 years). The country that had been used was Malaysia.

3.1.2 Research Variables

<Theoretical framework>

The purpose of this research is to look into the relationship between economic growth and an independent variables which are city council, government expenditure, and interest rate. This study defines and examines following baseline regression model for all firms:

<Proxy Used>

Table 3.1.2.1 Table of proxy used by variables

Variables	Proxy	Unit	Sources of Data
Economic growth (EG) (DV)	Gross Domestic Product growth (annual %)	%	World Bank
City Council (CC)	Government Revenue (% of GDP)	%	World Bank
Government Expenditure (GoVEX)	Government Expenditure (% of GDP)	%	World Bank
Interest rate (IR)	Real Interest Rate	%	World Bank

3.2 Hyphothesis

Hyphothesis 1 :

H_0 : There is no significant relationship between economic growth and city council.

H_1 : There is significant relationship between economic growth and city council.

Hyphothesis 2 :

H_0 : There is no significant relationship between economic growth and government expenditure.

H_1 : There is significant relationship between economic growth and government expenditure.

Hyphothesis 3 :

H_0 : There is no significant relationship between economic growth and interest rate.

H_1 : There is significant relationship between economic growth and interest rate.

3.3 Methodology

    3.3.1 General Model

$$Y = \beta_0 + \beta_1 X_{1t} + \beta_2 X_{2t} + \dots + \beta_n X_{nt} + \varepsilon_t$$

    3.3.2 Model of the study

Following the above explaination, Economy Growth (EG) can be modeled in the form of equation as below:

$$EGi = \beta_0 + \beta_1 \, CiC_t + \beta_2 \, Govex_t + \beta_3 \, IR_t + \varepsilon_t$$

Where,

EG_t = *Economic Growth of Malaysia at time (RM Million)*

CiC_t = *City Council Revenue in year t*

$Govex_t$ = *Government Expenditure in year t*

Ir_t = *Interest rate in year*

ε_t = *Error Term at time t*

CHAPTER 4: DATA ANALYSIS

This chapter will show the empirical findings on the relationship between economic growth and independent variables: city council, government expenditure and interest rate from 1990 to 2021 (32 years). These section presented the estimated results for correlation test, and multiple linear regression.

4.1 Data Analysis

4.1.1 Correlation test

Table 4.1.1 Pearson Correlation Analysis

		Eco	CC	Govex	IR
			Correlations		
Eco	Pearson Correlation	1	.354*	.105	-.132
	Sig. (2-tailed)		.407	.567	.473
CC	Pearson Correlation	.354*	1	.136	.446*
	Sig. (2-tailed)	.047		.459	.011
Govex	Pearson Correlation	.105	.136	1	.113
	Sig. (2-tailed)	.567	.459		.536
IR	Pearson Correlation	-.132	.446*	.113	1
	Sig. (2-tailed)	.473	.011	.536	

* Correlation is significant at the 0.05 level (2-tailed)

Refer to Table 4.1.1, all independent variables are not positively correlated, with correlation values ranging from -0.132 to 0.536. There is no multicollinearity problem due to the highest value which is 0.536 is still below 0.80. No strong correlation is detected amongst all independent variables.

In addition, according to Table 4.1.1. The correlation between interest rate and economic growth is negative because it is given by the sign of the correlation (-) the Pearson Correlation. There is statiscally significant relationship between interest rate and economic growth since P-value (-0.312) is less than 5% level of significance.

4.1.2 Multiple linear regression

4.1.2.1 Coefficient of determination, R^2

Table 4.1.2.1 Model Summary of Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.486[a]	.236	.154	7.34237	2.5660

a. Predictors: (Constant), ir, govex, cc

Table 4.1.2.1 shows R value 0.486 which is between the interval > 0.75-0.99. This means that the level of correlation and the strenght of the relationship between the variables of city council, government expenditure and interest rate to economic growth is very weak. Meanwhile, the R-squared value is the percentage of variation in the dependent variable explained by the independent variables. The result indicated that 23.6% is bad fit of the model and a lower ability to explain the dependent variable. The remaining 76.4% is explained by the factors which were not included in this study.

4.1.2.2 ANOVA (F-test)

ANOVAᵃ

Table 4.1.2.2 ANOVA (F-test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	466.445	3	155.482	2.884	0.53ᵇ
	Residual	1509.490	28	53.910		
	Total	1975.936	31			

a. Dependent Variable: eco

b. Predictors: (Constant), ir, govex, cc

Table 4.1.2.2 above illustrate that the calculated F value in multiple regression testing shows a value of 2.884 which is greater than F table which is 2.28. The level of significant is 0.53 which is more then 0.05. This means that the variables of personnel city council, government expenditure and interest rate have a insinigficant effect simultaneously on economic growth.

4.1.2.3 T-test

Coefficients[a]

Table 4.1.2.3 Coefficients in Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
Constant	-30.298	18.265		-1.659	.108
cc	1.582	.578	.507	2.736	.011
govex	.589	1.265	.078	.465	.645
ir	-.818	.413	-.366	-1.982	.057

a. Dependent Variable: eco

$GDPi = \beta_0 + \beta_1 \, CiC_t + \beta_2 \, Govex_t + \beta_3 \, IR_t + \mathcal{E}_t$

$= -30.298 + 1.582 \, CiC + 0.589 \, Govex - 0.818 \, Ir$

$\quad\quad\quad (0.11) \quad\quad\quad (0.645) \quad\quad\quad (0.057)$

Based on the table, we can see that all of the variables have a significant and insinigficant effect on economic growth when the significant value of city council is 0.11 percent where it show significant relationship. However, government expenditure and interest rate show insignificant relationship where government is 0.645 percent and interest rate is 0.57 percent. Thus, the The table also shows that a 1 percent increase in city council revenue, increase economic growth by 1.582 percent. Same goes to government expenditure where it show that a 1 percent increase in government expenditure, it will make economic growth increase 0.589. Meanwhile the coefficient results demostrate that interest rate decrease by 0.818 when there is an increase of 1 percent in the economic growth. For the city council with economic growth. This paper prove that the null hyphothesis is rejected. City council has a significant impact on economic growth. A positive value in the t-test shows that higher city council revenue has an high impact on economic growth. Next is for government expenditure and economic growth. The second hyphothesis had been tested and we accepted the null hyphothesis. From the t-test, the result shows that economic growth is insignificant influenced by government expenditure. We accepted the null hyphothesis. The last one is for interest rate and economic growth. This study

had prove that interest rate has no impact on economic growth through testing the third hyphothesis. We accepted the null hyphothesis since the result show an insignificant relationship between interest rate and economic growth.

CHAPTER 5 : CONCLUSION AND RECOMMENDATION

5.1 Introduction

This research analyses the impact of Malaysia city council on economic growth by using three independent variables such as city council, government expenditure and interest rate. Based on all three independent variables, only the city council variable has been significantly affecting the economic growth in Malaysia. The Malaysia city council had a major impact on economic growth. Whereas other variables, such as government expenditure and interest rate, are nevertheless not significant. Data from variables are modelled using time series data (yearly basis) span between 1990 to 2021 (32 years). It were used to analyse this research.

5.2 Discussion

City council gives an impact to economic growth wheter in a long run or short run. In this study, there independent variables which are city council, government expenditure and interest rate has been investigate whether it has a significant or insignificant relationship with the dependent variable; economic growth. For city council, the t-test shown it has a significant relationship with economic growth. This was supported by Hamid Lahouij (2017) using sample of US from 2002 to 2014. The result show significant positvely for government and economic growth whether the government is in low income economic, lower middle income economic and upper middle income. Similarly, supported by Hisham (2022) found that governance are significant and have a positive significant between government performance and economic growth. The results indicate that governance is one of the main economic growth factors. When the governmence's performance increase, it will boost the economic growth but if the governmance's performance are weak, economic also will decline as well.

Next is government expenditure. From the result, it stated that government expenditure and economic growth has a insignificant relationship. This was supported by Edmund (2018) conducted a study in Tanzania uses panel data for 20 regions spanning from 1996 to 2014. This study was stated a result which is insignificant relationship. The empirical results reveal that economic growth significantly increases government expenditure on defence but reduces expenditure on non-defence sectors in non-democratic countries. Closely, from Nurudeen and Abdullah (2010) stated the share of government current expenditure in GDP was shown to be

insignificant in explaining economic growth. This study uses disaggregated analysis for Nigeria from 1970 to 2008.

Last independent variable is interest rate. Based on the t-test, it has shown that interest rate and economic growth is insignificant relationship. This result can be support by Dr Rabichandra and Juhi, (2022) using the period data from 1980 to 2020. The result show insignificant for interest rate and economic growth. The good news is that their analysis shows that real growth rates will decrease as interest rates rise. Similarly, from Sergey et al. (2017) using a period data from 2010 to 2015, it stated insignificant relationship between interest rate and economic growth.

5.3 Conclusion

In conclusion, city councils can have either a positive or negative effect on economic growth. Its following data collection has an immediate and significant impact on growth in the Malaysia. The results of this study allow researchers to draw the conclusion that Malaysia's economic growth is influenced by the independent variables employed, namely the city council, government spending, and interest rate.

The results of the study indicated that the city council was the most significant independent variable influencing economic growth in Malaysia. This suggests that the decisions, policies, and actions taken by the city council had a notable effect on the country's economic development.

It is important to note that city councils can play a crucial role in shaping local economic conditions through various means, such as infrastructure development, zoning regulations, business incentives, and support for local industries. Their decisions can have ripple effects on job creation, investment opportunities, and overall economic prosperity in the region they govern.

As with any research study, the conclusions drawn are based on the data collected and the methodology used. Other factors not considered in the study might also influence economic growth in Malaysia.

5.4 Recommendation

City council initiatives contribute directly and indirectly to the economic growth of cities in the Malaysia. City council can improve from direct investment in the infrastructure. There are several recommendation for the city council to improve their stability. City councils can prioritize infrastructure development projects such as roads, public transportation, utilities, and digital infrastructure. These improvements can enhance connectivity, attract businesses, and stimulate economic activity. Next, Support Business Development. City councils can implement policies and initiatives that support local businesses, startups, and entrepreneurs. Providing access to funding, reducing bureaucratic hurdles, and offering incentives can foster a thriving business environment. Last recommendation for the city council is promote tourism and culture. City councils can invest in promoting local tourism, cultural events, and heritage preservation. Tourism can create jobs, increase spending, and stimulate growth in various sectors.

From this research paper, there are several recommendation that we can consider. The first one is by using other independent variable that maybe can give a significant relationship with the dependent variable. For example, tax revenue and unemployment. Futhermore, for the proxy, maybe we can use other proxy for the better results.

References

Nyheter, H., & Hallin. (2018). *Mediating Economic Growth A Narrative Analysis of News in Times of India and Dagens*.

https://www.diva-portal.org/smash/get/diva2:1214452/FULLTEXT01.pdf

Aladlani, A. (n.d.). *ScholarWorks at WMU Governance and Economic Growth in the Arab World: Evidence from Panel Data Analysis*. Retrieved July 27, 2023, from

https://scholarworks.wmich.edu/cgi/viewcontent.cgi?article=4452&context=dissertations

Yusoff, M., Abu, F., Suhaila, H., & Jalil, A. (2000). *Globalisation, Economic Policy, and Equity: The Case of Malaysia*.

https://www.oecd.org/countries/malaysia/2682426.pdf

Perpustakaan Negara Malaysia Cataloguing-in-Publication Data MALAYSIA VOLUNTARY NATIONAL REVIEW (VNR) 2021. (n.d.). https://sustainabledevelopment.un.org/content/documents/285982021_VNR_Report_Malaysia.pdf

Nurudeen, A., & Usman, A. (2010). *Government Expenditure And Economic Growth In Nigeria, 1970-2008: A Disaggregated Analysis*.

https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=f7701dc1544165c737747b506a537a529c6bfa08

Ranjan KD, Sharma C, 2008. Government Expenditure and Economic Growth: Evidence from India. The ICFAI University Journal of Public Finance, 6(3): 60-69. http://ssrn.com/abstract=1216242

Nawaz, M., Rafiq, M., Mehmood, A., Abdullah, M., & Hussain, M. (2014). Which Factors Influence the Economic Growth of the Country? Evidence with Reference to Pakistan. *Online)*, *5*(19).

https://core.ac.uk/download/pdf/234646593.pdf

Mathonsi, V. (2015, April 1). *An investigation into the factors constraining efficient service delivery in urban local governments in Zimbabwe: the case of Bulawayo city council.* 197.221.241.74.

http://197.221.241.74/handle/123456789/215

Yusoff, M., Abu, F., Suhaila, H., & Jalil, A. (2000). *Globalisation, Economic Policy, and Equity: The Case of Malaysia*.

https://www.oecd.org/countries/malaysia/2682426.pdf

Hung, N. T., Yen, N. T. H., Duc, L. D. M., Thuy, V. H. N., & Vu, N. T. (2020). Relationship between government quality, economic growth and income inequality: Evidence from Vietnam. *Cogent Business & Management*, *7*(1), 1736847.

https://doi.org/10.1080/23311975.2020.1736847

Lahouij, H. (n.d.). *The Keep Governance and Economic Growth in Developing Economies: A Comparative Study*.

https://thekeep.eiu.edu/cgi/viewcontent.cgi?article=3724&context=theses

Eugene Msizi Buthelezi. (2023). *Impact of government expenditure on economic growth in different states in South Africa*. *11*(1).

https://doi.org/10.1080/23322039.2023.2209959

Kimaro, E. (2018). *ANALYSING THE EFFECTS OF GOVERNMENT EXPENDITURE AND EFFICIENCY ON ECONOMIC GROWTH IN TANZANIA*.

http://eprints.utar.edu.my/2989/1/Edmund_Lawrence_Kimaro.pdf

Expenditure And Economic Growth In Nigeria, 1970-2008: A Disaggregated Analysis | Request PDF. (n.d.). ResearchGate.

https://www.researchgate.net/publication/284570921_Government_Expenditure_And_Economic_Growth_In_Nigeria_1970-2008_A_Disaggregated_Analysis

Gate, R. (2021). *130+ million publications organized by topic on ResearchGate*.

ResearchGate; ResearchGate.

 https://www.researchgate.net/publication

Panigrahi, S., Azizan, N., Sorooshian, S., & Thoudam, P. (2020). EFFECTS OF INFLATION, INTEREST AND UNEMPLOYMENT RATES ON ECONOMIC GROWTH: EVIDENCE FROM ASEAN COUNTRIES. *ABAC Journal*, *40*(2), 140–155.

https://core.ac.uk/download/pdf/352125432.pdf

Azreen, S., Zulkifli, M., Effendi, A., & Shafai, N. (2022). The Impact of Government Expenditure on Economic Growth in Malaysia. *Advances in Business Research International Journal*, *8*(1), 21–32.

https://ir.uitm.edu.my/id/eprint/49486/2/49486.pdf

Semuel, H., & Nurina, S. (2015). *Analysis of the Effect of Inflation, Interest Rates, and Exchange Rates on Gross Domestic Product (GDP) in Indonesia*.

https://core.ac.uk/download/pdf/32452864.pdf

J.O, adeniran, S.A, Y., Adeyemi, & A., O. (2014, August). *The Impact of Exchange Rate Fluctuation on the Nigerian Economic Growth: An Empirical Investigation* [Review of *The Impact of Exchange Rate Fluctuation on the Nigerian Economic Growth: An Empirical Investigation*]. HR MARS.

https://d1wqtxts1xzle7.cloudfront.net/55708749/The_Impact_of_Exchange_Rate_Fluctuation_on_the_Nigerian_Economic_Growth_an_Empirical_Investigation1-libre.pdf?1517686667=&response-content-disposition=inline%3B+filename%3DThe_Impact_of_Exchange_Rate_Fluctuation.pdf&Expires=1690445267&Signature=XqTqJviBe7jtRBbwiKK1OluXy4RQ3RhksXWGdx4jtZ3KN3f-vVB7VmiytglcZ7kldeh0JrouwmwEaJRs5bmzKJ81hja8Q0dz2MJ0cP-eY26~FKaGLSlorh4qFSJS7qlx0KVmvaYB3Pj48m3opLDut0wgK4GuWtm6ASg1JVvZHou-dfeiDD-FtWmBSLNd4seOF9bcajHq9KDNMz7Rtw-UFi73X3vK3QcLySw0wKCpRahSMvpxfIUS7Frx7eP6FV-rr-CjlqcANRwTNczbUPNBF~QpdAhgxEaiwbw8ScYsyOCDIO1e7LaHO~CTlPZIAAAT4gZwD1C4J6ir3MetlCWh-w__&Key-Pair-Id=APKAJLOHF5GGSLRBV4ZA

Appendices

Figure 1 : Tax's counter
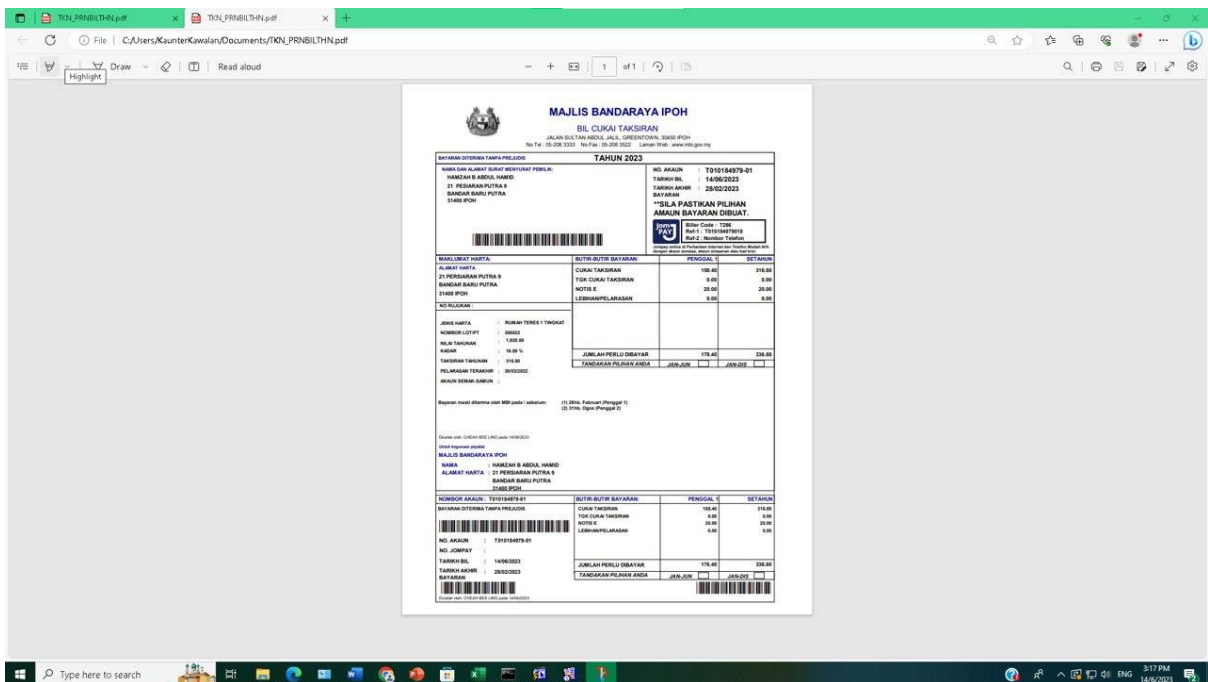
Figure 2 : Tax receipt
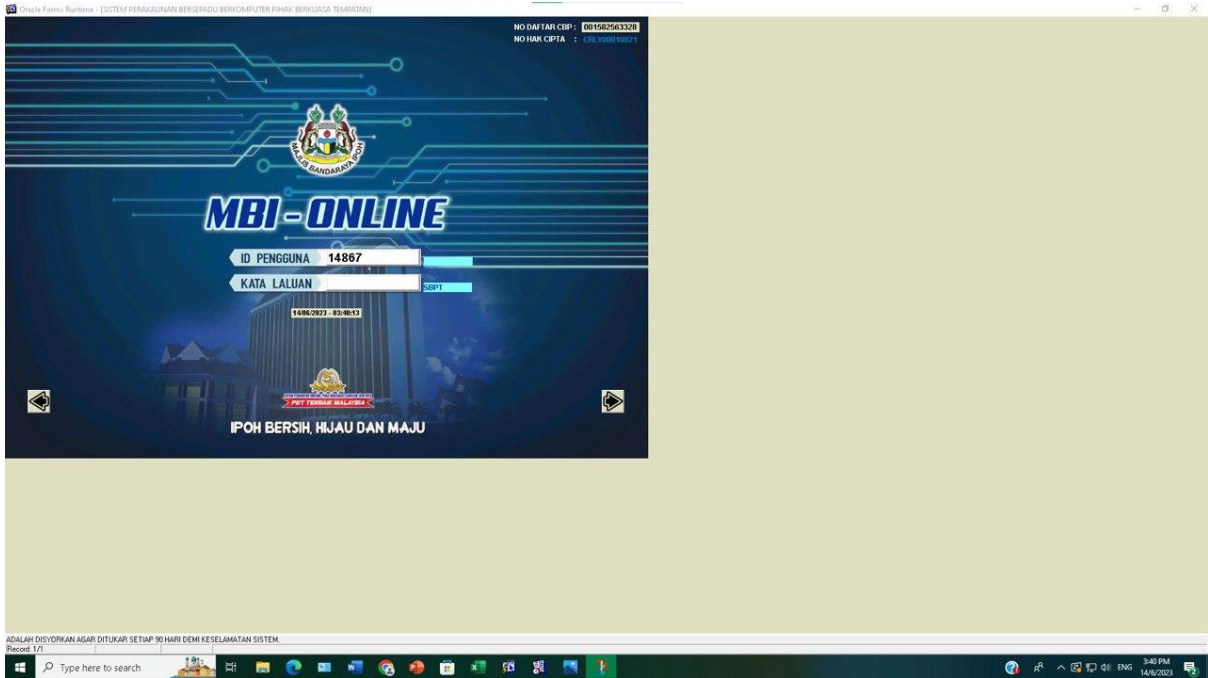
Figure 3 : Majlis Bandaraya Ipoh (MBI) portal

Figure 4 : Customers' complaint

41
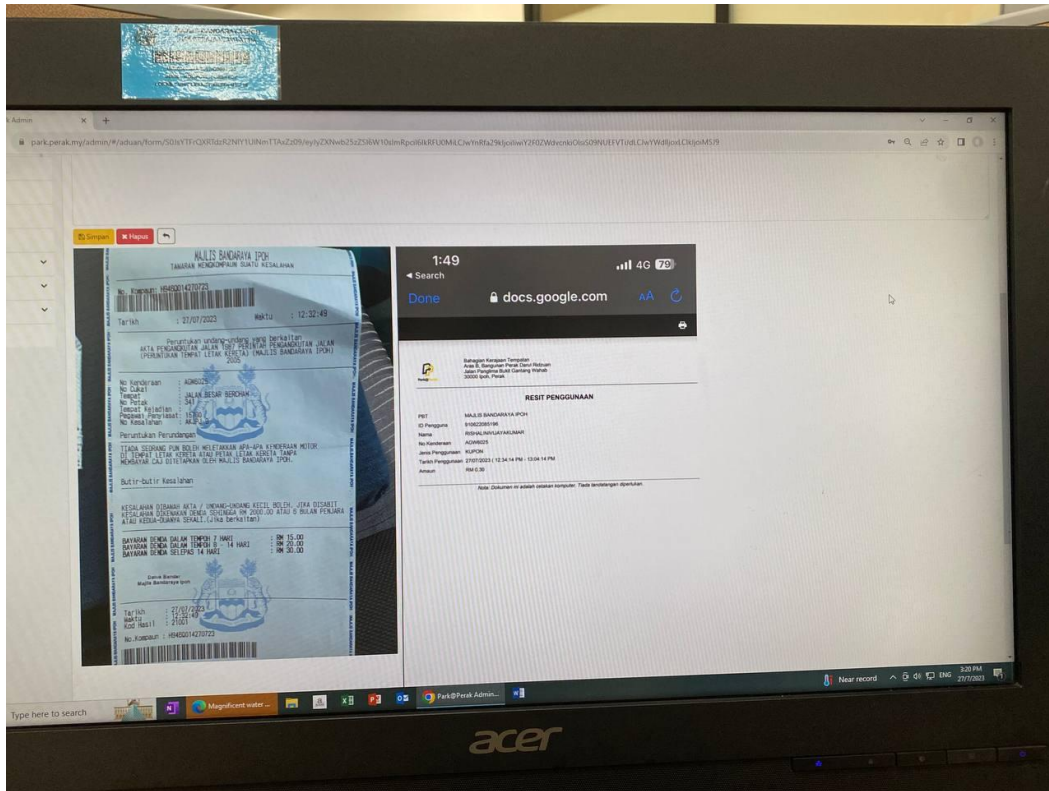
Figure 5 : Parking compund

Figure 6 : MBI's event on Maal Hijrah

Document Information

Analyzed document	NURUL NABILA BINTI AZMAN_2020483084_INTERNSHIP REPORT.pdf (D172396573)
Submitted	7/27/2023 3:35:00 AM
Submitted by	NURUL NABILA BINTI AZMAN
Submitter email	nbilaazmann@gmail.com
Similarity	7%
Analysis address	shaliza.UiTM@analysis.ourignal.com

Sources included in the report

SA   **UNIVERSITI TEKNOLOGI MARA (UITM) / FINAL REPORT (NURUL AZREEN BINTI MOHD SUKRI_2019868046_KBA2406A).pdf**
Document FINAL REPORT (NURUL AZREEN BINTI MOHD SUKRI_2019868046_KBA2406A).pdf (D142296903)
Submitted by: 2019868046@student.uitm.edu.my
Receiver: mohdradzi.UiTM@analysis.ourignal.com   ⊞ 7

W   URL: https://www.redalyc.org/journal/3223/322349942013/html/
Fetched: 9/3/2021 1:48:14 PM   ⊞ 1

SA   **UNIVERSITI TEKNOLOGI MARA (UITM) / C007_NUR SA'ADIAH BINTI RAMDAN & NURLIYANA AKMA BINTI MOHD ZAKI_IFE781_FINAL RESEARCH PROJECT.pdf**
Document C007_NUR SAADIAH BINTI RAMDAN & NURLIYANA AKMA BINTI MOHD ZAKI_IFE781_FINAL RESEARCH PROJECT.pdf (D155326879)
Submitted by: 2021220092@student.uitm.edu.my
Receiver: wahida.UiTM@analysis.ourignal.com   ⊞ 1

Entire Document

1.

28%	MATCHING BLOCK 1/9	SA	FINAL REPORT (NURUL AZREEN BINTI MOHD SUKRI_20... (D142296903)

MAJLIS BANDARAYA IPOH (MBI) INTERNSHIP REPORT 1 MARCH 2023 - 15 AUGUST 2023 ✉ nbilaazmann@gmail.com ☎ 013-8718835 PREPARED BY: NURUL NABILA BINTI AZMAN 2020483084 BA242 2 Executive Summary __ This internship report is based on a six-month internship programme that I successfully completed in Majlis Bandaraya Ipoh (MBI) from 1 March 2023 to 15 August 2023 as part of my Bachelor of Business Administration (Hons) Finance at UiTM Campus Arau, Perlis. As an individual who was absolutely new to the practical, business-oriented context, every hour spent in the Treasury Department provided me with valuable experience that cannot be expressed in words. Nonetheless, they were all beneficial to my profession. This report comprises how the