

**IMPACT OF POPULATION AGEING ON ECONOMIC
GROWTH
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MENTOR

ONG SENG HUAT

**PERPUSTAKAAN
UNIVERSITI MALAYSIA SABAH**

MENTEES

HO CHONG MUN

NORLITA ISMAIL

**FACULTY OF SCIENCE AND NATURAL RESOURCES
UNIVERSITI MALAYSIA SABAH
INSTITUTE OF MATHEMATICAL SCIENCES,
FACULTY OF SCIENCE
UNIVERSITY OF MALAYA**



UMS
UNIVERSITI MALAYSIA SABAH

ABSTRACT

Based on United Nation projections, world population structure have tendency to move toward the population aging structure. Population aging is said would induce several problems to a country in term of theirs macroeconomic, labour market and social security. However, researcher believed impact of aging society may vary depend on economic policies implemented. Effective policies implemented can help in offsetting the effect of population aging. Most of the early studied have utilized panel data in their analysis. Nevertheless, the results can only provide a general conclusion. In addition, previous empirical result uncovers the possibility of the existence of nonlinear relationship. Hence, both linear and nonlinear causality test are employed in this thesis to examine the causal relationship among old-age dependency ratio and work to retirement ratio on economic growth. The countries involved in this analysis include Japan, Germany, China, Malaysia and Singapore. Findings suggested that economic policies implemented do affect the impact of the population aging. Japan seems to have better policies in dealing with the aging society. Result also show that adjustment on retirement age gives significant effect on economic growth. Besides, few cases show the existence of nonlinear causal relationship. Therefore, nonlinear relationship should also be considered to avoid bias result.



ABSTRAK

IMPAK PENUAAN POPULASI KEPADA PERTUMBUHAN EKONOMI

Berdasarkan unjuran Amerika, struktur populasi dunia berkecenderungan untuk beralih ke struktur populasi penuaan. Penuaan populasi dikatakan akan menyebabkan beberapa masalah kepada negara dari segi makroekonomi, pasaran buruh dan keselamatan sosial. Walau bagaimanapun, penyelidik percaya bahawa kesan penuaan masyarakat mungkin berbeza-beza bergantung kepada dasar ekonomi yang dilaksanakan. Pelaksanaan dasar-dasar yang berkesan dapat membantu mengimbangi kesan penuaan populasi. Kebanyakan kajian yang lepas telah mengaplikasikan data panel dalam analisis mereka. Walau bagaimanapun, keputusan tersebut hanya dapat memberikan satu kesimpulan yang umum. Di samping itu, hasil empirikal sebelum ini mendedahkan kemungkinan kewujudan hubungan taklinear. Oleh itu, kedua-dua ujian penyebab linear dan taklinear digunakan dalam tesis ini untuk mengkaji hubungan sebab dan akibat di antara nisbah tanggungan tua dan nisbah kerja kepada persaraan atas pertumbuhan ekonomi. Negara-negara yang terlibat dalam analisis ini termasuk Jepun, Jerman, China, Malaysia dan Singapura. Keputusan menunjukkan bahawa dasar-dasar ekonomi yang dilaksanakan sesungguhnya mempengaruhi kesan penuaan populasi. Jepun seolah-olah mempunyai dasar-dasar yang lebih baik berhubung dengan penuaan masyarakat. Keputusan juga menunjukkan bahawa pelarasan umur persaraan member kesan yang ketara kepada pertumbuhan ekonomi. Selain itu, beberapa kes menunjukkan kewujudan hubungan sebab dan akibat yang taklinear. Oleh itu, hubungan taklinear juga perlu dipertimbangkan untuk mengelakkan keputusan yang kurang tepat.