

Population Growth and Economic Development: A Case Study of Malaysia

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There has been an on-going debate among development economists on the relationship between population growth and economic performance. This research chooses Malaysia as a case study to analyse long-run relationship between population growth and economic development. Econometric tests, such as the Augmented Dickey-Fuller (ADF) test and the Phillips-Perron (PP) test as well as the Engle-Granger method and the Johansen test, are employed in this study. Findings of these tests indicate the existence of a long-run equilibrium relationship between Malaysia's GDP and its population growth. The findings also imply that the expansion of population in Malaysia affects the country's per capita GDP in short run, and vice versa.