

Low fertility in Malaysia: Can it be explained?

Chor Foon Tang¹  • Nai-Peng Tey²

Springer Science+Business Media Dordrecht 2017

Abstract This study assesses the determinants of the fertility rate in Malaysia using the combined tests for cointegration and generalised variance decomposition analysis of time series data for the period 1980–2012. We find that the fertility rate is cointegrated with its determinants, i.e. female employment, female education, medical quality and per capita income. Consistent with findings from cross-sectional surveys and fertility theories, fertility in Malaysia has an inverse relationship with female employment, female education and medical quality. Additionally, we also find an inverted U-shape relationship between fertility and per capita income. Our study reaffirms that socio-economic determinants play a significant role in explaining the transition of fertility in Malaysia over the short-run and long-run.

Keywords Cointegration Fertility Medical quality Inverted U-shape relationship Malaysia

JEL Classification C32

& Chor Foon Tang
tcfoon@usm.my; tcfoon@gmail.com

¹ Centre for Policy Research and International Studies, Universiti Sains Malaysia, 11800 USM, Penang, Malaysia

² Population Studies Unit, Faculty of Economics and Administration, University of Malaya, 50603 Kuala Lumpur, Malaysia