

THE INFLUENCE OF DEMOGRAPHICS ON ECONOMICS FOR TIGERS AND CUBS

PhD Tamaş Anca

The Bucharest University of Economic Studies, **Romania**

ABSTRACT

The aim of this study was to evaluate the impact of the demographic determinants on three groups of countries: the European Tigers, the Asian Tigers and the Asian Cubs during the period 2000-2023.

The European Tigers are Ireland, Estonia, Latvia and Lithuania. The Asian Tigers are Hong Kong, South Korea, Singapore and Taiwan. The Asian Cubs are Indonesia, Malaysia, Philippines, Thailand and Vietnam. The considered demographic determinants are the age dependency, the birth rate, the death rate, the fertility rate, the life expectancy, the labor force participation rate and the urban population rate.

EVIEWS 8 was used to run a panel regression for all the groups, the option was Panel Estimated Generalized Least Squares. The Hausman Test was applied and the Random Effects Option is more appropriate.

Death rate, life expectancy, urban population and labor force participation positively influence GDP, while birth rate, fertility rate and age dependency negatively influence GDP. Most of the findings are consistent with previous studies, the results are highly sensitive to the chosen country and to the period considered.

The originality of the study consists in studying the demographics' impact on GDP for European Tigers (Ireland, Estonia, Latvia and Lithuania), Asian Tigers (Hong Kong, Korea, Singapore and Taiwan), as well as Asian Cubs (Indonesia, Malaysia, Philippines, Thailand and Vietnam). From author's knowledge, this is the first study using as sample this combination of countries' groups.

The main limitations of the study are that the results are highly sensitive to the groups of countries and that their boom period is different. Further research should be conducted, including another countries groups and maybe a larger period.

Keywords: GDP, demographics' determinants, European Tigers, Asian Tigers, Asian Cubs

INTRODUCTION

There is a significant and reciprocal relationship between demographics and economics and it has been so for a long time and for all countries. Both the population development and the economic development have an impact on the other, yet the degree of the impact and if it's a positive one, it depends on the specific country and on the specific period of time chosen for the evaluation of the impact.