

ABSTRACT

Conventional has been in existence for many centuries so it is deeply rooted thus it benefits from operational experience it has been through whereas Takaful is of a recent origin with facing issues related to efficiency performance. Thus, the objective of this study is to analyse degree of competition, efficiency performance and finally the relationship between efficiency and competition for Takaful and conventional in Gulf Cooperation Council (GCC) countries for the period 2015 to 2019 by using an unbalanced set of 140 Takaful and conventional companies. Lerner index employed for measure market power represents degree of competition level and Data Envelopment Analysis (DEA) were used to estimate the efficiency level. Granger test employed to examine the causality between efficiency and competition. The empirical results show that Takaful firms are equally efficient compared to conventional firms. The Takaful when compared to conventional is highly technical and pure technical efficient however it's moderately cost efficient and there is a large opportunity for improvement. In nutshell, Technical Efficiency correlated with Lerner Index and Lerner Index associated with Allocative Efficiency in long run for Takaful firms while conventional firms Lerner Index related with Allocative Efficiency and Scale Efficiency in long run.

Keywords: Takaful, insurance, data envelopment analysis, granger causality, lerner index

Persaingan dan Kecekapan Pasaran Insurans Konvensional dan Takaful Di Negara-Negara GCC

ABSTRAK

Takaful menghadapi kekurangan prestasi kecekapan berbanding dengan konvensional yang bermaafat dengan pengalaman operasi selama berabad. Oleh itu, objektif kajian ini adalah untuk menganalisis tahap persaingan, prestasi kecekapan dan akhirnya hubungan antara kecekapan dan persaingan untuk Takaful dan konvensional di negara-negara 'Gulf Cooperation Council' (GCC) sepanjang tempoh 2015 hingga 2019 dengan menggunakan dataset 140 syarikat Takaful dan konvensional yang tidak seimbang. Lerner Indeks digunakan untuk mengukur kuasa pasaran mewakili tahap persaingan dan 'Data Envelopment Analysis' (DEA) digunakan untuk menganggarkan tahap kecekapan. 'Granger causality' digunakan untuk memeriksa penyebab antara kecekapan dan persaingan. Keputusan empirikal menunjukkan tahap kecekapan firma Takaful sama dengan firma konvensional. Banding dengan konvensional, Takaful menunjukkan tahap kecekapan tinggi dari segi 'Technical efficiency' dan 'Pure technical efficiency' manakala tahap kecekapan kos masih sederhana dan mempunyai peluang untuk penambahbaikan. Kesimpulannya, dalam jangka masa panjang 'Technical efficiency' firma Takaful berkaitan dengan Lerner Indeks dan Lerner Indeks berkaitan dengan 'Allocative Efficiency' dan 'Scale Efficiency'.

Kata kunci: *Takaful, insurans, 'Data Envelopment Analysis', granger causality, indeks lerner*