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Kampus Sultan Abdul Jalil Shah



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THE ECONOMIC AND NON-ECONOMIC DETERMINANTS OF HAPPINESS IN MALAYSIA

VINOTHINY A/P SUBRAMANIAM



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THE ECONOMIC AND NON-ECONOMIC DETERMINANTS OF HAPPINESS IN
MALAYSIA

VINOTHINY A/P SUBRAMANIAM

THESIS PRESENTED TO QUALIFY FOR A DOCTOR OF PHILOSOPHY

FACULTY OF MANAGEMENT AND ECONOMICS
SULTAN IDRIS EDUCATION UNIVERSITY

2025



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ABSTRACT

This study examines the influence of economic and non-economic factors on happiness in Malaysia. Non-economic factors include demographic and political variables, while the economic determinants focus on Gross Domestic Product (GDP) and government expenditure. Non-economic data were analyzed by using descriptive statistics, generalized ordered logit regression (gologit2), and marginal effect tests; whereas economic factors were examined by using descriptive and multiple regression analyses. The results show that health, financial situation, importance of God, income, number of children, employment status, and leisure time are positively and significantly associated with happiness. In contrast, age and education are negatively related to happiness, with the negative effect of education attributed to higher expectations and frustration. Political and social factors such as freedom of choice, democracy, trust in government, and incumbent voting also positively influence happiness. Apart of the findings, government expenditure is positively associated with happiness, whereas GDP per capita shows a negative relationship. This finding confirmed the Easterlin Paradox that hypothesized economic growth alone does not guarantee greater happiness. The positive role of government spending highlights the importance of investments in education, healthcare, infrastructure, and social welfare in improving life satisfaction. In conclusion, happiness in Malaysia is shaped by a combination of economic and non-economic factors, with non-economic aspects such as health, social trust, and political confidence playing a more critical role than GDP growth. As the implication, this study highlights the need for policymakers to adopt a holistic approach to improve well-being by emphasizing social and political dimensions alongside economic development. Efforts should focus on enhancing healthcare accessibility, strengthening trust in government, promoting social cohesion, and maintaining public spending on welfare-related sectors to sustain and improve happiness levels.





PENENTU EKONOMI DAN BUKAN EKONOMI TERHADAP KEBAHAGIAAN DI MALAYSIA

ABSTRAK

Kajian ini meneliti pengaruh faktor ekonomi dan bukan ekonomi terhadap kebahagiaan di Malaysia. Faktor bukan ekonomi merangkumi pemboleh ubah demografi dan politik, manakala penentu ekonomi memberi tumpuan kepada Keluaran Dalam Negara Kasar (KDNK) dan perbelanjaan kerajaan. Data bukan ekonomi dianalisis menggunakan statistik deskriptif, regresi logit teratur umum (gologit2), dan ujian kesan marginal; manakala faktor ekonomi dianalisis menggunakan statistik deskriptif dan regresi berganda. Hasil kajian menunjukkan bahawa kesihatan, keadaan kewangan, kepentingan kepada Tuhan, pendapatan, bilangan anak, status pekerjaan, dan masa lapang mempunyai hubungan positif dan signifikan dengan kebahagiaan. Sebaliknya, umur dan pendidikan mempunyai hubungan negatif dengan kebahagiaan, di mana kesan negatif pendidikan dikaitkan dengan peningkatan jangkaan dan kekecewaan. Faktor politik dan sosial seperti kebebasan membuat pilihan, demokrasi, kepercayaan terhadap kerajaan, dan pengundian kepada penyandang jawatan juga memberi pengaruh positif terhadap kebahagiaan. Selain itu, perbelanjaan kerajaan mempunyai hubungan positif dengan kebahagiaan, manakala KDNK per kapita menunjukkan hubungan negatif. Dapatan ini mengesahkan hipotesis Paradoks Easterlin yang menyatakan bahawa pertumbuhan ekonomi semata-mata tidak menjamin peningkatan kebahagiaan. Peranan positif perbelanjaan kerajaan menekankan kepentingan pelaburan dalam pendidikan, penjagaan kesihatan, infrastruktur, dan kebajikan sosial bagi meningkatkan kepuasan hidup. Kesimpulannya, kebahagiaan di Malaysia dibentuk oleh gabungan faktor ekonomi dan bukan ekonomi, dengan aspek bukan ekonomi seperti kesihatan, kepercayaan sosial, dan keyakinan politik memainkan peranan yang lebih penting berbanding pertumbuhan KDNK. Sebagai implikasi kajian, pembuat dasar disarankan mengamalkan pendekatan holistik dalam meningkatkan kesejahteraan rakyat dengan memberi penekanan kepada dimensi sosial dan politik di samping pembangunan ekonomi. Usaha harus difokuskan kepada peningkatan akses kepada penjagaan kesihatan, memperkukuh kepercayaan terhadap kerajaan, memupuk perpaduan sosial, serta mengekalkan perbelanjaan awam dalam sektor berkaitan kebajikan bagi mengekalkan dan meningkatkan tahap kebahagiaan rakyat.





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LIST OF ABBREVIATIONS

BHPS	British Household Panel Survey
BLUE	Best Linear Unbiased Estimator
CNLRM	Classical Normal Linear Regression Model
CPI	Consumer Price Index
CUSUM	Cumulative Sum of Recursive Residuals
CUSUM SQ	Cumulative Sum of Squares of Recursive Residuals
DOSM	Department of Statistics Malaysia
EIU	Economist Intelligence Unit
EPU	Economic Planning Unit
ESS	HDI
GDP	Gross Domestic Product
GNH	Gross National Happiness
Gologit2	Generalized Ordered Logit Regression
GWP	Gallup World Poll
HDI	Human Development Index
HLE	Healthy Life Expectancy
HPI	Happy Planet Index
ILO	International Labour Organization
LFS	Labor Force Survey
MDT	Multiple Discrepancy Theory
MENA	Middle East and North Africa

MHI	Malaysia Happiness Index
OLOGITMNL	Multinomial logistic model
MQLI	Malaysia Quality of Life Index
MWI	Malaysian Well-Being Index
OECD	Economic Cooperation and Development's
Ologit	Ordinal Logistic Regression Model
OLS	Ordinary Least Squares
OR	Odds Ratio
PO	Proportional Odds
PPO	Partial Proportional Odds
PPP	Purchasing Power Parity
QOL	Quality of Life Index
SDG	Sustainable Development Goal
SWB	Subjective well-being
UN	United Nations
UNDP	United Nations Development Program's
USD	US Dollar
WHO	World Health Organization
WVS	World Values Survey



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CHAPTER 1

INTRODUCTION



1.1 Introduction

Happiness is a universal pursuit, yet its true nature remains deeply complex, encompassing many aspects of life (Ryan, 2023; De Neve et al., 2022). For centuries, philosophers, psychologists, economists, and policymakers have sought to understand the subtle concept of happiness, including what it means, how it can be measured, and what truly contributes to it (Diener, 2021; Frijters et al, 2020). At first glance, it seems simple in which happiness is just the feeling of joy, contentment, or satisfaction with one's life. However, as research on happiness has grown it has become evident that happiness cannot be reduced to fleeting emotions or moments of pleasure (Carpentier, 2023).





Instead, happiness is a profound and long-term state of well-being that reflects a balance of various internal and external factors, many of which remain largely invisible to the eye. While material wealth, income, and economic prosperity have traditionally been known as major contributors to happiness, growing studies show that non-economic factors such as family, leisure time, personal health, mental well-being, health status, and religion have an equal significant impact on one's happiness (Tambyah, 2022; Helliwell et al., 2020).

One of the foundational studies in happiness economics was conducted by Richard Easterlin (1974). In his article "Does Economic Growth Improve the Human Lot?" he argued that while economic growth may increase happiness, beyond a certain point it no longer contributes to further improvements in well-being. Recognizing happiness as a shared goal in people's lives, the United Nations (UN) identifies it as part of a balanced approach to economic growth that enhances overall well-being. The UN also declared 20th March as the International Day of Happiness to raise awareness of the importance of happiness in human life and its impact on well-being. The Malaysian government also launched an initiative to measure happiness, first conducted by the Department of Statistics Malaysia (DOSM) in 2021 (DOSM, 2021).

As the focus shifts toward happiness and behavioral economics, happiness economics has emerged as a distinct research area. It has attracted growing interest from academics, researchers, and policymakers in economics and business. The shift from focusing solely on economic growth to considering broader determinants of happiness has led to deeper scrutiny of GDP's limitations as an indicator of human well-being. Maximizing the Gross Domestic Product (GDP) could be the primary goal of almost





all countries worldwide and widely used as a statistical indicator for economic growth and the well-being of people in a country. GDP is a statistical indicator that symbolizes the market value of all goods and services produced by a country. However, GDP ignores the negative impact of growing GDP such as environmental externalities, depletion of natural resources, social inequalities, and the value of non-market works, natural disasters, crime waves, and health epidemics (Debroy and Kapoor, 2019).

Many economists suggest that GDP is a poor measure for quality of life because GDP only reflects productivity and monetary measures (Pathak, 2018). Choon et al (2022) stated that many economists such as Daniel Kahneman, Simon Kuznets, and Robert Solow have criticized the GDP measures fully focused on production. The growing discontent with GDP as a measure of happiness motivates researchers to look into new approaches to evaluate happiness of people. French President Nicolas Sarkozy, Joseph Stiglitz (President of the Commission), Amartya Sen (Advisor) and Jean Paul Fitoussi (Coordinator) joined to form a Commission called "The Commission on the Measurement of Economic Performance and Social Progress" (CMEPSP)". The objective of this commission is to establish the limits of GDP as an indicator of economic performance and social advancement in a country (Stiglitz, Sen and Fitoussi, 2009).

The growing interest in happiness economics reflects an understanding that happiness is a measure of well-being and it is central to the functioning of societies and economies. Major studies have shown that happiness is not solely determined by economic measures such as GDP, but is also influenced by a wide range of factors including social connections, mental health, personal freedom, and governance





(Helliwell et al., 2022). GDP remains an important indicator, but focusing on it exclusively may overlook key aspects that affect human well-being particularly in developing countries like Malaysia (Tambyah, 2022; Helliwell et al., 2020).

Failing to address unhappiness can have significant and far-reaching consequences for both individuals and society. Unhappiness are associated with a range of negative outcomes including deteriorating mental and physical health, decreased productivity, and social instability (Helliwell et al., 2021). Individuals with low happiness levels are more likely to suffer from mental health issues such as depression and anxiety leading to increased healthcare costs, higher rates of absenteeism on work, and shorter life expectancy (Aknin et al., 2021). On a societal level, widespread unhappiness can fuel social unrest, exacerbate inequality, and contribute to political instability (Veenhoven and Kegel, 2023). If these issues remain unaddressed, they could incur substantial long-term social and economic costs.

In the context of Malaysia, studying happiness is important due to its rapid socio-economic development and growing concerns about inequality, social cohesion, and mental health. Malaysia's economy has grown significantly in recent years, but challenges such as income inequality, rising costs of living, and political instability still persist (Shrotryia and Singh, 2020). These challenges directly affect the population's happiness and well-being. For example, the country has made strides in economic development, but mental health issues are increasing as more Malaysians report symptoms of stress and anxiety along with depression (Tan, 2022). In 2019, Malaysia's National Health and Morbidity Survey (NHMS) provided comprehensive insight that 2.3% of adults aged 16 and above experienced depression, which translates to





approximately 424,000 individuals nationwide (Institute for Public Health, 2019). This suggests that while material wealth may have increased, other factors contributing to happiness are being overlooked.

Malaysia's happiness levels need serious attention because in despite its economic success, it faces several socio-economic challenges that could hinder the overall well-being of population. The World Happiness Report (2021) ranked Malaysia 80th globally, which is considered fall below the world average. This happiness ranking is influenced by several factors, including income inequality, access to quality healthcare, political corruption, and governance issues (Helliwell et al., 2021). Malaysia has made substantial progress in areas such as education and economic development. However, challenges related to mental health, social cohesion, and public trust in governance persist and affect happiness levels across different groups (Tan, 2022).

According to the World Happiness Report (2021), Malaysia's happiness score ranks below the global average. This places it behind other Southeast Asian countries like Thailand, Vietnam, and the Philippines, despite Malaysia's higher GDP per capita (Helliwell et al., 2021). This disparity highlights the fact that while economic growth is important, it does not always translate into higher happiness levels for all citizens. Factors such as mental health, social inequality, environmental concerns, and quality of governance play significant roles in shaping the happiness of a nation (Tan, 2022; Aknin et al., 2021). Therefore, addressing these issues in the Malaysian context is crucial for improving overall societal well-being.



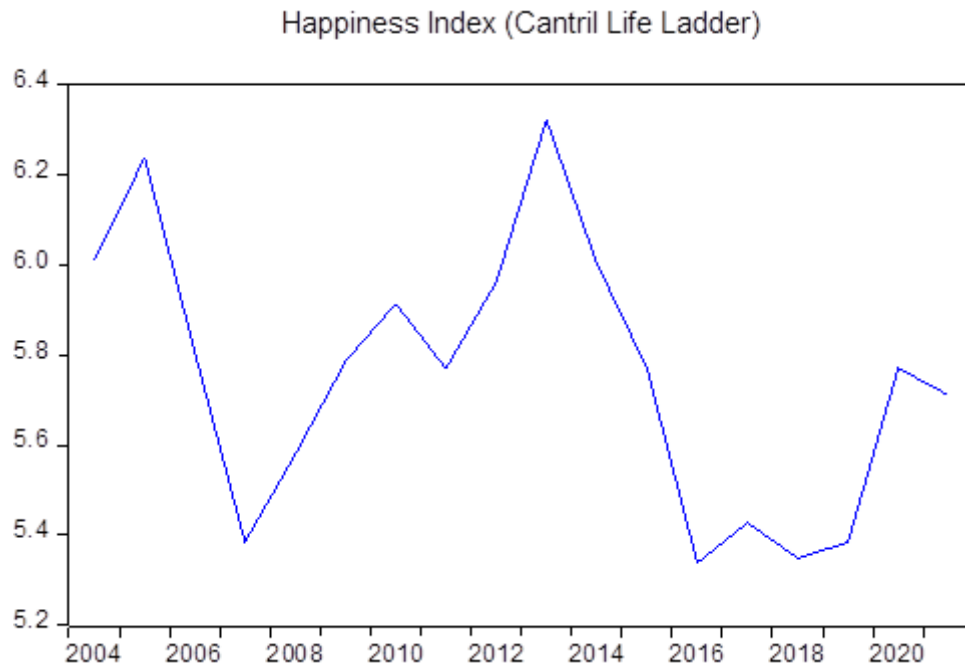


1.2 Background of the Study

Happiness, as a measure of well-being has garnered significant global attention with governments and researchers seeking to understand the factors that contribute to the happiness of their citizens. In Malaysia with multi-ethnic and multi-cultural society, happiness is influenced by both economic and non-economic determinants. These include macroeconomic variables such as income levels, inflation, and employment, alongside non-economic determinants like governance, leisure time and education level. Given Malaysia's dynamic economic and political environment, understanding the primary drivers of happiness is crucial for enhancing the quality of life for its citizens. A thorough analysis of these factors can provide valuable insights that guide policy decisions aimed at improving well-being and addressing emerging societal

challenges.



Figure 1.1*Happiness Index*

Derived from Cantril Life Ladder

Figure 1.1 illustrates the Happiness Index for Malaysia derived from the Cantril Life Ladder (Helliwell et al., 2023) based on data from the World Happiness Report 2023 and the Gallup World Poll (2004–2021). The average happiness score for Malaysians during this period is 5.75, with the highest recorded score of 6.32 in 2013 and the lowest at 5.33 in 2016. The peak in 2013 was primarily attributed to Malaysia's economic recovery following the 2008 global financial crisis, marked by stable GDP growth and enhanced public welfare. However, the decline observed in 2016 can be traced to a combination of rising living costs, political dissatisfaction, and the repercussions of the 1MDB scandal which eroded public trust and contributed to economic uncertainty. These fluctuations underscore the profound influence of both economic and political factors on national well-being.



Economic factors, particularly income and employment have long been associated with higher levels of happiness. Research has consistently shown that greater income, job security, and economic stability correlate with increased life satisfaction. In Malaysia, however, rising living costs escalating household debt, and stagnant wage growth suggest that economic growth alone cannot fully explain the variations in happiness levels. Non-economic factors, including political stability, mental health, and social cohesion are also critical determinants of overall well-being. Political stability is a key non-economic driver of happiness. Malaysia's political landscape has undergone notable transformations in recent years, with shifts in governance impacting public trust and overall satisfaction. While the 2018 General Election marked a historic political change, political uncertainty and governance issues continue to shape public perceptions of happiness.



Mental health is another crucial non-economic determinant. The prevalence of mental health issues in Malaysia has been increasing, with studies indicating that approximately three in ten adults aged 16 and above experience mental health problems. The Institute for Public Health (IPH) (2019–2023) revealed a significant rise in depression rates, particularly among young adults aged 16 to 39, who are integral to the nation's workforce. The economic burden of mental health issues is substantial, with estimated costs of RM 14.46 billion annually, predominantly attributed to lost productivity and healthcare expenditures. This figure represents over 1% of Malaysia's Gross Domestic Product (GDP) in 2018 (Chua, 2020).

Governance quality is another critical non-economic factor influencing happiness. Effective governance, characterized by transparent and accountable public





institutions, directly affects the public's perception of fairness and justice. However, public trust in governance has fluctuated, with recent years witnessing a decline. According to Transparency International's Corruption Perception Index, Malaysia has experienced a decrease in its scores, highlighting diminished trust in government institutions (Transparency International, 2022).

Meanwhile GDP and other economic indicators remain important, this study seeks to move beyond economic growth to explore the broader range of factors including governance, social stability, and mental health that shape happiness. By examining both economic and non-economic determinants, this research aims to provide a deeper understanding of the forces influencing happiness in Malaysia. The findings of this study will offer valuable insights for policymakers, guiding the design of interventions that can improve national well-being by addressing the critical factors that impact happiness in Malaysia.

1.3 Problem Statement

In recent years, Malaysia's happiness ranking has experienced a significant decline falling from 35th place in 2018 to 70th in the World Happiness Report 2022 (Helliwell et al., 2022). This decline reflects the growing socio-economic challenges Malaysia faces including rising inflation, income inequality, and political instability. Between 2018 and 2021, Malaysia's happiness ranking fluctuated from 35th to 81st revealing a complex relationship between economic growth and individual well-being. Despite



improvements in GDP and employment, persistent issues such as inflation, low wages, and political uncertainties continue to undermine the happiness of Malaysians.

Economic factors such as GDP per capita, government expenditure, inflation, and unemployment rates play a crucial role in shaping Malaysia's economic environment. For instance, Malaysia's inflation rate rose from 2.2% in 2021 to 2.6% in 2022, exacerbating the cost of living, particularly for the B40 income group, which faces lower savings and higher expenditure on essential goods (BNM, 2022). Research by IPSOS (2022) reveals that Malaysians are increasingly concerned about inflation, unemployment, and income inequality issues that disproportionately affect their happiness, particularly among lower-income communities. These macroeconomic challenges highlight the importance of examining not only the direct economic indicators but also their broader impact on well-being.

However, economic factors alone cannot fully explain the decline in happiness. Non-economic determinants such as mental health, governance, and political stability also play a significant role. Mental health problems including rising rates of anxiety, depression, and stress have increasingly contributed to declining happiness. For example, the suicide rate in Malaysia surged from 641 deaths in 2020 to 1,068 in 2023, underscoring the urgent need for enhanced mental health support (Ministry of Health Malaysia, 2023). Additionally, political instability exemplified by the 2018 change in government and subsequent political turbulence has raised concerns about governance, economic mismanagement, and corruption. These political challenges create feelings of insecurity and diminished happiness, as citizens struggle to navigate a shifting political landscape. The intersection of governance quality, economic management, and



political stability significantly impacts happiness underscoring the need for a comprehensive understanding of the political context when examining national happiness level.

Happiness, defined as subjective well-being, influences various life outcomes, including mental and physical health, productivity, and social cohesion (Diener et al., 2020; Seligman, 2021). In Malaysia, promoting happiness is central to national development goals, particularly in improving the quality of life for citizens. As part of its commitment to the United Nations Sustainable Development Goals (SDGs), Malaysia recognizes that fostering happiness is crucial for achieving SDG 3 (Good Health and Well-being) and SDG 10 (Reduced Inequality) (United Nations, 2020). National initiatives, such as the "Keluarga Malaysia" concept, emphasize inclusivity, collective well-being, and social harmony. However, Malaysia's diverse population experiences happiness differently across various communities, which requires addressing both economic and social disparities to foster a more equitable and sustainable future (Malaysia Ministry of Economic Affairs, 2021; UNDP, 2020).

While much of the existing happiness research has focused on Western and European contexts (Agrawal et al., 2023; Helliwell et al., 2023), there is a notable lack of studies that examine Malaysia's unique socio-economic and political landscape. Existing research often separates economic factors from non-economic determinants, focusing on one dimension at a time. This study seeks to fill this gap by providing a comprehensive analysis that focused on three different set of factors including economic indicators such as inflation rate, unemployment rate, Real GDP and government expenditures with non-economic factors such as age, education, leisure





time, and political factors. The novelty of this study lies in its integrated approach in which analyses the economic and non-economic factors on happiness. Therefore, this study moves beyond the traditional focus on GDP growth offering a more holistic view of happiness.

This research will operationalize key variables using specific indicators, including macroeconomic factors such as GDP per capita, government expenditures, inflation, and the unemployment rate. Socio-demographic factors such as age, gender, education, satisfaction with financial situation, health status, employment status, ethnicity, income, importance of family, importance of leisure time, importance of religion, and number of children in a family will also be considered to assess their relationship with happiness. Additionally, political and governance-related variables, such as freedom of choice and control, importance of democracy, voter participation, interest in politics, trust in government, and the importance of politics in life, will be included. These variables will provide a clearer understanding of the multi-dimensional factors influencing happiness in Malaysia.

The findings of this research will be policy-relevant, offering critical insights into how Malaysia can improve public happiness through targeted interventions. Policymakers can leverage the results to enhance mental health support, improve social security systems, and address economic disparities, which are vital for achieving national goals and fulfilling the SDGs. This study's unique contribution lies in its ability to link macroeconomic, political, and mental health data, providing a comprehensive framework for understanding happiness in Malaysia and offering actionable recommendations for improving national well-being.





1.4 Research Objectives

The general objective of this research is to identify the economics and non-economic determinants of happiness in Malaysia. The specific objectives of this study are as follows:-

- (a) To investigate the impact of macroeconomic factors on happiness.
- (b) To determine the impact of demographic factors on happiness.
- (c) To assess the impact of political factors on happiness.

1.5 Research Questions



The research is organized based on the following research questions, which are required to be addressed:

- a. Do macroeconomic factors significantly affect happiness in Malaysia?
- b. Do demographic factors significantly affect happiness in Malaysia?
- c. Do political factors significantly affect happiness in Malaysia?

1.6 Research Hypothesis

Based on the above research questions and past research studies, the following hypotheses are developed:



H_1 : The macroeconomic factors significantly affect the happiness level in Malaysia.

H_2 : The demographic variables significantly affect the happiness level in Malaysia.

H_3 : The political factors significantly affect the happiness level in Malaysia.

1.7 Significance of Study

This research plays a critical role in advancing happiness economics by examining the limitations of traditional economic indicators like GDP, which often fail to account for citizens' well-being. Traditional economic measures do not fully capture the complexity of happiness, which includes both economic and non-economic factors. This study aims to address that gap by exploring how macroeconomic conditions, demographics, and political stability contribute to national happiness. The research aligns with the objectives of evaluating the impact of macroeconomic (GDP, inflation, unemployment), demographic (age, gender, education), and political (government trust, political engagement) factors on happiness.

The United Nations' adoption of the Sustainable Development Goals (SDGs) reflects a global commitment to improving happiness and well-being, and Malaysia has aligned with these international efforts. The SDGs, particularly those focused on poverty reduction, inequality and sustainability directly influence citizens' happiness. This study explores these connections within the Malaysian context, highlighting how Malaysia's development goals are intertwined with its citizens' well-being (Ouyang et al., 2020; Iriarte and Musikanski, 2019). Indices like the Human Development Index (HDI), the OECD Better Life Index, and the Gallup-Healthways Well-Being Index have



incorporated happiness measures alongside traditional economic indicators underscoring the broader understanding of well-being (Bruni, De Rosa and Smerilli, 2021). This study will integrate happiness as a key factor into economic models in Malaysia contributing valuable insights to future policy development and economic strategies (Fernandez-Urbano, 2022; Frey, 2019; Piekalkiewicz, 2017).

Research by Barrington-Leigh and Galbraith (2019) demonstrates that non-economic factors such as family, health, freedom, and political factors are crucial to happiness. This underscores the need for policymakers to consider these elements when developing policies to improve citizens' well-being. By doing so, this research not only enriches the academic literature on happiness economics but also provides critical insights for Malaysian policymakers to enhance the quality of life and foster national growth. Furthermore, it shifts the focus of public policy from mere economic production and consumption to the broader goal of improving happiness, ensuring that well-being becomes central to Malaysia's future development (Singh, 2023; Pykett, 2018; Vik and Carlquist, 2018).

The study's findings will be significant for policymakers in Malaysia offering evidence on the real drivers of well-being beyond economic growth. Despite the country's economic progress, low-income groups continue to face significant socio-economic challenges, particularly with the rising cost of living and political instability. These issues are deeply connected to citizens' well-being. By analyzing these factors, the research will inform policies that promote inclusive growth and address the multi-dimensional nature of happiness. This research also contributes to the global discussion on the SDGs, especially SDG 3 (Good Health and Well-being) and SDG 10 (Reduced





Inequalities), which are highly relevant to Malaysia's efforts to improve overall happiness. The study will bridge the gap between economic policies and mental health and social well-being, both central to Malaysia's development agenda. The academic significance lies in expanding happiness economics to a Malaysian context, where most happiness studies have focused on Western nations. By considering Malaysia's unique socio-political and economic landscape, this research will offer a more nuanced understanding of how factors like ethnicity, family importance, and trust in government influence subjective well-being.

Additionally, the study will offer insights into the effectiveness of existing policies like Malaysia's Shared Prosperity Vision 2030 aims to reduce inequality and foster inclusive growth, emphasizing the importance of a people-centered approach to development. This will serve as a resource for future research providing evidence-based recommendations for targeted policies aimed at improving mental health, political stability, and economic security, ensuring that Malaysia's development focuses on enhancing citizens' happiness and well-being, not just economic growth.

Ultimately, the research provides guide to future studies and inform policy decisions that enhance both the social and economic conditions in Malaysia. It will provide a framework for policymakers to integrate happiness and well-being into national development strategies, ensuring that economic growth is coupled with a focus on citizens' overall well-being, which is essential for sustainable development.



1.8 Limitation of the Study

This study examines the impact of economic and non-economic factors on happiness in Malaysia. One limitation is the use of a fixed time frame for the analysis, spanning from 2004 to 2021. Although this period offers valuable insights into recent trends, extending the time series could reveal deeper patterns and nuances, especially as Malaysia undergoes rapid socio-economic transformations. Another limitation is the reliance on cross-sectional data collected by the World Values Survey Association from 2017 to 2022. Even though this data is rich, the absence of annual or longitudinal studies means that we miss out on capturing the fluctuations of happiness in response to real-time events and policy shifts.

 05-4506832  Additionally, this study integrates key economic and non-economic factors, but the complex nature of happiness suggests that other influential variables may yet to be explored. Future research could examine how factors such as technological advancements, environmental changes, and evolving societal values shape happiness levels over time. This would offer a more comprehensive understanding of the drivers of well-being in Malaysia and contribute to more nuanced policy-making. Further, exploring happiness across different demographic subgroups could provide insights into how Malaysia's cultural, social, and economic diversity affects well-being, offering a more tailored approach to improving happiness at the national level.

1.9 Organization of Study

This chapter has provided the background of the research, problem statement, research objectives, research questions, significance of the study, and limitations of the study. The structure of the thesis is as follows: Chapter 1 introduces the study, outlining the background, problem statement, research objectives, research questions, and significance of the study, as well as the limitations. It establishes the foundation for the research by clarifying its purpose and setting the context for the subsequent chapters.

Chapter 2 presents a comprehensive review of the relevant literature, examining previous research and theoretical perspectives on happiness, particularly the economic and non-economic determinants. This chapter provides a detailed understanding of the key variables of the study, offering insights into the existing body of knowledge and identifying gaps that the current research aims to address.

Chapter 3 focuses on the research methodology, explaining the research design, data collection methods, sampling strategy, and data analysis techniques employed to investigate the hypotheses. This chapter outlines how the study was conducted and justifies the chosen approach for the research.

Chapter 4 presents the results of the data analysis. It offers a detailed discussion of the findings in relation to the research questions and hypotheses, interpreting the data and drawing conclusions based on the evidence gathered.



Chapter 5 concludes the study by summarizing the main findings, addressing their implications for policy and practice, discussing the limitations of the study, and proposing directions for future research. This chapter reflects on the contributions of the research and provides recommendations for further investigation in this field.

Each chapter builds upon the previous one, contributing to a holistic understanding of the economic and non-economic determinants of happiness in Malaysia, and offering insights for both academic and policy-related applications.

