Measurement of Social Capital and Welfare for Sustainable Development of Malaysia

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Abstract

The Gross Domestic Product (GDP) is widely used system for national income accounting. However, it fails to measure the real "economic" state and real "wealth" of nations. The rising popularity of sustainable development as a policy goal require appropriate and effective indicators to guide development toward a sustainable and desirable future. The Malaysian government has launched the New Economic Model (NEM) with the strategic goal of transforming Malaysia to a full-fledged high income, inclusive and sustainable country by the year 2020. While the NEM has incorporated sustainable development indicators, it lacks a set of economic and social indicators. The paper investigates the important factors for measuring sustainable development in Malaysia. Data for the study obtained from a survey of different stakeholders of Peninsular Malaysia using structured questionnaires. The results of the study indicate that social, cultural, spiritual and governance factors are important for measuring development changes of Malaysia. The results suggest that these indicators are important for policy makers to incorporate in order to achieve the goal for sustainable development of Malaysia.

Keywords: Gross Domestic Product; Social capital, Sustainable Economic Welfare.

1 Introduction

The Economic growth and employment generation have been the primary goals of government policy. Social welfare and wellbeing in the society has become an important policy agenda among the economists and social scientists. The Gross Domestic Product (GDP) is widely used system for national income accounting. However, the important issue is whether gross domestic product (GDP) can measure social welfare. It has been acknowledged that GDP fails to measure the real "economic" state and real "wealth" of nations. The rising popularity of sustainable development as a policy goal require appropriate and effective indicators to guide development toward a sustainable and desirable future. The question of sustainability, i.e. the ability to maintain welfare levels in the future has become important for the pro-

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gress of societies. Large international organizations have created sustainable development indicator databases (OECD, 2008, World Bank, 2006 and United Nations, 2007). Sustainable development aims to improve human welfare through more balanced progress toward goals such as economic growth, environmental responsibility, and social equity.

The Malaysian government has launched the New Economic Model (NEM) with the strategic goal of transforming Malaysia to a full-fledged high income, inclusive and sustainable country by the year 2020. While the NEM has incorporated sustainable development indicators, it lacks a set of economic and social indicators. Several approaches have emerged and a set of indicators have been developed to measure welfare and sustainability. The indicator sets are mostly based on national sustainable policy strategies comprising three dimensions (economic, environmental and social) of sustainable development. Many countries have developed social indicators to monitor trends in the welfare of their citizens (Sharpe, 2009).

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The cultural and demographic diversity of Malaysians need to select social indicators that may reflect diversity of the world's most vibrant countries. In Malaysia, the indicators of social wellbeing are lacking. It is difficult to understand the social and economic development progress in Malaysia. Due to lack of information, it is very difficult to understand the important indicators that can measure the economic, social and environmental   condition in Malaysia.

Previous literature has mainly focused on the relationship between economic conditions and subjective wellbeing (i.e., wealth and happiness) at individual or national level (Dolan et al. 2008). Most studies have found that income of households is positively related with individual happiness of individual (Blanchflower and Oswald 2004; opt. cit. Easterlin 2001; Frijters et. al. 2004; Kahneman et al. 2006). Findings of studies in OECD countries from 1975 to 1997 reveal that an increase in income from the lowest to a middle income group increases their life satisfaction (Di Tella and MacCulloch 2008). There is no study available that investigated the determinants of wellbeing of individual and national welfare especially in Malaysia.

The aim of this research is to identify and calculate the appropriate indicators of social and economic well-being for Malaysia. These reflects demographic, racial and religious characteristics to measure social wellbeing that is consistent with the context of Malaysia and international best practice (Sharpe, 2009). The study will provide the important economic, social and environmental factors contributing to the socioeconomic development and wellbeing of households in Malaysia. The study will also help the policymakers to implement the New Economic Model effectively and achieve the Malaysia's Vision 2020.

2   Literature review

2.1 Capital and Social Well Being

Over the past decades, the main questions have been discussed in social sciences on how to measure economic and social development and wellbeing. Gross domestic product (GDP) is standard economic indicators that are useful for measuring just one limited aspect of the economy—marketed economic activity, however GDP has been mistakenly used as a broader measure of welfare (Costanza et al., 2009).

Several measurement indexes of economic and social wellbeing have been developed, including the Measure of Economic Welfare (MEW); the Genuine Progress Indicator (GPI); the Index of Economic Wellbeing (IEWB); the Human Development Index (HDI); the Index of Social Health (ISH); the Quality of Life Index (QOL); and the Index of Social Progress (ISP). These indicators used as suitable tool to measure sustainable economic welfare rather than using gross domestic product (GDP) to use as proxy for economic activity.

Subjective wellbeing (SWB) of a nation involves evaluation of one's life and job satisfaction, family and community relations, stress level, spiritual, and perception of national wellbeing. While life satisfaction is regarded as a global cognitive judgment of one's life and often employed to measure one's subjective wellbeing, happiness refers to an affective or emotional state, which is sensitive to sudden changes in mood (Diener and Lucas 2000; Diener and Ng 2010; Wong et al. 2006).

Social welfare is a subjective measure of the sum of all individual's utilities generated from the consumption of goods and services (Perman et al. 2003). However, welfare is a multidimensional and complex concept and varies according to the dynamic conditions of the individual, country, location and climate. Economic goods and services are produced from capital, which are the resource of a society. Wellbeing is a multidimensional quantity and it has been interpreted as broader than welfare (Sen, 1987 and Dasgupta, 2001).

The notion of 'capital' was broadened to include natural and human capital (Becker, 1964). Different forms of capital has been defined, manmade capital, human capital, natural capital and social capital (World Bank, 2006). The capital approach is used on the concept of maintaining economic, environmental, human, and social capital overtime for future generation. Social capital, has become of more importance (Bourdieu, 1986; Coleman, 1988, 1990; Putnam, 1993, 1995). Social capital and social networks are increasingly viewed as key components in ensuring desirable social and economic outcomes.

The capital approach generally provides a solid and theoretically sound conceptual framework for sustainable development indicators. Easterlin (1995) reported that, the average subjective wellbeing for many countries has remained roughly constant over time, even though per capita income has risen substantially over the observed period. Di Tella et. al. (2003) also showed that the effect of GDP per capita on happiness wears off over time in a country panel. This contradiction concerning the lack of a relationship between wealth and happiness from a life cycle or longitudinal perspective is regarded as the "Easterlin Paradox." According to Easterlin (1974, 2001), the paradox arises because people quickly get used to what they have and their aspirations increase with their income as they get older, and the favorable effect of rising income on happiness disappears and subjective wellbeing reaches equilibrium.

A study by Jas Laile Jaafar et al (2012) attempts to explore the influencing factors that affect Malaysians and Indonesians. Their study discovered 12 happiness indicators which are family, career, interpersonal and social relationships, self-growth/self-autonomy, wealth, recreation, needs, education, absence from negative feelings, national prosperity, health, religion, and basic needs. Wellbeing has an implication on different features of national cultural contexts. Several studies have found that there is strong relationship between spirituality and subjective well-being (Bond, Lun, & Li, 2012; Diener et al., 2011; Eichhorn, 2011). Diener et al. (2011) reported that people in societies with more difficult living situations (e.g., widespread hunger and low life expectancy) tend to be more religious, and the link between religiousness and well-being was stronger in these societies than in those with less difficulty.

Based on the capital approach, this study used subjective wellbeing to determine non-monetary measurements for social welfare, happiness and sustainable development of Malaysia. The 'capital approach' has been proposed as a theoretical basis for sustainable development indicators (SDI) (Atkinson and Pearce, 1993; Atkinson and Hamilton, 2003; World Bank, 2006 and UNECE, 2009)

2.2 The Development of Malaysia

Malaysia, with a population over 30 million people is a multi-ethnic and multi-cultural country. Along with the many indigenous cultures, substantial influences from Chinese, Indian, Persian, Arabic, and British cultures have taken place. Malaysian society is ethnically and religiously heterogeneous. Malays, or the Bumiputera people, represent 65% of the population of almost 25 million, while Chinese (26%) and Indian (8%) make up substantial minorities.

Malaysia has an average 6.5 percent of annual growth in GDP for the last 50 years, which renders USD10, 222 GDP per capita in 2015. Malaysia is a highly open, upper-middle income economy. Economic growth was inclusive, as Malaysia also succeeded in nearly eradicating poverty: the share of households living below the national poverty line (USD 8.50 per day in 2012) fell from over 50 percent in the 1960s to less than 1 percent currently. For the purpose of this study, we will analyse subjective wellbeing (SWB) in a Malaysian context. Malaysia is a collectivistic society. This is manifest in a close long-term commitment to the "member" group, be that a family, extended family or extended relationships. Loyalty in a collectivist culture is paramount and overrides most other societal rules and regulations. Such a society fosters strong relationships, where everyone takes responsibility for fellow members of their group.

3   Methodology

To determine the perceptions of various stakeholders on the social wellbeing and happiness factors, a survey was conducted in Peninsular Malaysia. The study respondents included various stakeholder groups i.e. employees in various sectors, students, housewives and retirees. Enumerators were recruited to distribute the questionnaires in the north, central, east, west and south regions of Peninsular Malaysia. Respondents were approached in their homes, workplaces, public places such as shopping malls and markets and, colleges and universities. Sample respondents were randomly selected using convenience sampling method.

The questionnaire consisted of two sections covering various indicators: Section A covered household characteristics of the respondents and Section B covered social, economic and environmental factors that may contribute to people's wellbeing. The variables included were categorised into six themes namely; a) Happiness; b) Social Support; c) Locality and Security; d) Job Satisfaction; e) The Perception of National Wellbeing and f) Spirituality. The perceptions of the respondents on the social wellbeing are measured by using the Likert Scales with values of 1 indicating very dissatisfied, 2 indicates dissatisfied, 3 indicates neutral, 4 indicates satisfied, and 5 indicates very satisfied.

The study distributed about 1000 questionnaires. Out of the 1000 questionnaires distributed, 732 were returned. The questionnaire was prepared in two languages (Bahasa Melayu and English) to accommodate the respondents. Out of total completed questionnaire, 688 were from employees in various sectors, the remaining respondents were students, housewives and retirees. Both male and female were equally participated in the survey.

4   Results/Findings

4.1 Respondents Profile

This section describes the characteristics of the respondents involved in the survey. In terms of average size, the respondent's in this area are not very different than average household size in Malaysia. Average size of the respondent's households is 4. However, the distribution by size shows that about 72% of the respondents have one to five member in their family that indicates a high percentage of relatively small households in the study areas. The age distribution of respondents shows that overall 88% of the respondents are below 45 years of age. This is not surprising as the respondents are mostly young employees in various sectors. Majority respondents are Malays/Bumiputra (88%), 50 were Chinese and 32 respondents were Indians (Table 1).

Table 1.
Respondents' age category

Year	No of respondents	%
18 – 30	275	37.6
31 – 45	366	50.0
46 – 55	77	10.5
56 and above	14	1.9
Total	732	100.0

Table 2 shows that majority of respondents are well educated. About 63% respondents had undergraduate and diploma education, 18% had post graduate education. It is found that 18% respondents had secondary education. The respondents with relatively low education level indicates that the study included the employees working in other support units in the respective agencies.

Table 2
Respondent's level of education

Education Level	Frequency	Percent
Secondary school	133	18.2
Undergraduate degree	331	45.2
Certificate/Diploma	128	17.5
Postgraduate degree	132	18.0
Total	732	100

Table 3 shows the employment status of the respondents. The employment status shows that 81% of the respondents working fulltime, followed by own business (7%) and other work as part time basis (4%). In line with the distribution of respondents by main occupation, it is found that respondents are working in various sectors. Among the sectors 27.2 % respondents are working in the government offices and government linked companies, followed by education and health sectors (12.8%), wholesale and retail business (10.5%), real estate business (10%), transport and communication (8.3%), hotel and restaurant (6.1%), finance and insurance (6.1%), mining and agriculture 3.7% and 4.4% (Table 4).

Table 3
Respondent's employment status

Employment	Frequency	Percent
Fulltime	594	81.1
Part time	31	4.2
Own business	48	6.6
Total	732	100

Table 4
Respondent's occupation in various sector

Employment	Frequency	Percent
Agriculture	32	4.4
Construction and manufacturing	34	4.6
Education/Health/Utilities.	94	12.8
Finance/Insurance/Consultation	45	6.1
Government services/government linked companies	199	27.2
Hotel/Restaurants/Tourism	45	6.1
Mining/Quarrying	27	3.7
Real estate	73	10.0
Transport/Logistics/ICT	61	8.3
Wholesale/Retail	77	10.5
Total	732	100

Table 5 shows respondents have well experienced in their current occupation. About half of the respondents (49.1%) have 3 to 10 years working with the main occupation. One fifth of the total respondent's report that they have more than 10 years' experience. About a quarter respondents have up to 3 years' work experience.

Table 5
Respondents working experience (years) in current occupation

Year	Frequency	Percent
Up to 3 years	176	24.0
3 - 5 years	207	28.3
5 - 10 years	152	20.8
More than 10 years	154	21.0
Total	732	100

Table 6 shows that respondent's income and expenditure. Income of most respondents (42%) ranged between RM2, 501 - 5,000 per month. The next group of respondents (33%) had income range less than RM 2,500 per month. A good number of respondents (15%) reported an income range of between RM5, 001 – RM10, 000 per month and only 10% with more than RM10,000 per month (Table 6).

Table 6
Respondents net income and expenditure

Income and expenditure	Net income	
Ringgit	Frequency	Percent
0 - 2,500	240	32.8
2,501 - 5,000	306	41.8
5,001 - 10,000	110	15.0
10,001 - 20,000	58	7.9
20,001 - 35,000	1	0.1
35,001 - 50,000	7	1.0
70,001 and above	4	0.5
Total	732	100

4.2 Perceptions of local communities on the development and welfare

Welfare and wellbeing of societies is the primary goal of the government. Measuring development in the economy and to keep track changes in the social wellbeing in the society the government and policy makers use some indicators. The Gross Domestic Product (GDP) is commonly used for applied analysis but the valuation for social indicators is difficult. The study obtains perception on social and economic factors that contributes to the social welfare and wellbeing of the people in Malaysia. Respondents were asked about their opinions on social support, national wellbeing, job satisfaction, social security and spirituality. The respondents in the study area have positive perception on social factors of development in the society. Table 7 shows that almost all respondents interviewed (75% and above) in the study report that they have very strong ties with family, friends and relatives in their locality and outside their village.

Table 7
Perceptions of respondents on social capital factors

Statement	N = 732			Mean	Std. Div.
	Disagree	Neutral	Agree		
Personal relationship with family members is better now	49 (6.7)	226 (30.9)	457 (62.5)	3.73	0.882
We always find time to get together and communicate on the phone	26 (4.4)	146 (19.9)	560 (76.5)	3.95	0.778
I can count on my family during difficult times and sickness	30 (4.1)	145 (19.8)	557 (76.1)	4.004	0.839
People in my community help each other during difficult times	131 (17.9)	221 (30.2)	380 (51.9)	3.379	0.955
I am satisfied with the social support given by relatives and friends living outside my home	32 (4.4)	162 (22.1)	538 (73.5)	3.916	0.810
I can trust in people in my community/neighborhoods	114 (15.5)	212 (29.1)	406 (55.4)	3.4877	0.916
I tend to get involved in community social events in my area	154 (21.0)	214 (29.2)	364 (49.7)	3.33	0.992

They participate in community gathering, take care of family members during hard time, and provide social support by relatives and family members. Their perception on social factors is closely related with the relationship with family members, community support during

the crisis and involvement in community support. More than half of respondents' report that they trust each other in the community, friends and relatives. It is important to understand respondents view about their satisfaction in terms of the house condition, community service facilities, infrastructural facilities, water supply, transport and communication, clinic, hospital, school and market.

Table 8 shows that more than 60% of respondent report that they are happy and their quality of live has improved over the years. Majority of respondents feel that they have good house facilities, access to clean and adequate supply of water and have easy access to clinics, schools and markets. These factors are important to assess the wellbeing in the community in Malaysia. More than half of the respondents were either neutral or negative view about public transport and communication facilities, environmental pollution control activities. About 60% respondents feel that they are not safe while walking alone in the dark and lack of law & order services. The results indicate that general perceptions about community service facilities and wellbeing of community are important that should be used in order to measure social and economic development of Malaysia (Table 8).

Table 8
Perceptions of respondents on community support and welfare factors

Statements	Negative	Neutral	Positive	Mean	Std. Div.
Overall I feel happier now	49 (6.7)	210 (28.7)	473 (64.6)	3.71	0.804
My quality of life is improved compared to last year	69 (9.4)	207 (28.3)	456 (62.3)	3.61	0.858
I am happy with my living condition	40 (5.4)	225 (30.7)	467 (63.8)	3.767	0.831
I have clean and adequate supply of water at home	55 (7.5)	186 (25.4)	491 (67.0)	3.72	0.824
Amenities such as clinics, hospitals, schools and market are easily accessible in my area	38 (5.1)	171 (23.4)	521 (71.2)	3.94	2.143
I have a sense of accomplishment in my life now (at work or study)	119(16.2)	230 (31.4)	383 (52.3)	3.43	0.919
My area has a good access to transport	162(22.1)	213 (29.1)	357 (48.8)	3.338	1.009
The recreation park in our area is clean and safe for public	183(25.0)	165 (22.5)	384 (52.4)	3.34	1.079
Garbage collection is frequent in my area	117(16.0)	267 (36.5)	348 (47.5)	3.39	0.927
I generally feel safe walking alone after dark in my area	191(26.1)	242 (33.1)	299 (40.9)	3.13	1.065
The security and police in my area are readily available	253(34.6)	230 (31.4)	249 (39.0)	2.97	1.079

More than half of the respondents have positive impression towards their workplace. They are happy to work in their organisation, they have job security, can use their skills in their organization and contribution of physical health. Regarding the pay structure and recognition for good work, more than half of the respondents feel that they are not fairly paid for their work and their hard work is not recognised and rewarded (Table 9).

Table 9

Perceptions of respondents on job satisfaction in workplace

Statements	Disagree	Neutral	Agree	Mean	Std. Div.
I received recognition for a job well done (e.g. promotion/reward)	164 (22.4)	261 (35.7)	307 (41.9)	3.24	0.990
I feel good about working at this company	80 (10.9)	275 (37.6)	377 (51.5)	3.49	0.879
I feel secure about my job (eg. company's performance/ benefits/ bonus etc)	89 (12.1)	262 (35.8)	381 (52.0)	3.47	0.911
My salary is worth the time and effort I put in	134 (18.3)	248 (33.9)	350 (47.8)	3.35	0.969
My talents and skills are used at work	85 (11.6)	233 (31.8)	414 (56.6)	3.52	0.887
Generally, I believe work is good for my physical health	87 (11.9)	249 (34.0)	396 (54.1)	3.47	0.866

In general, majority of the respondents in the study areas feel that the rising price level of necessary items is the main concern in Malaysia. Table 10 shows that majority of the respondents (67%) do feel that the increase price level for daily consumable items is not acceptable. Respondents from all stakeholders' report that there is political instability, lack of ethnic harmony, environmental pollution, and poor education system. Half of the respondents' report that political instability in Malaysia is not acceptable. Environmental pollution and natural resource degradation have been equally divided between agree, neutral and disagree. Malaysia is a multi-ethnic country with harmony among three races Muslim, Chinese and Hindu. Respondents do feel that social harmony among three races have been deteriorated over the years, and perceptions of majority of the respondents indicated that governance issues are the important determinant for national wellbeing and sustainable development of Malaysia. These factors are critically important and need to incorporate in the national development policy and implementation.

Table 10

Perceptions of respondents on public welfare and governance

Statements	Negative	Neutral	Positive	Mean	Std. Div.
The general price level in Malaysia is acceptable (house, rent, food, going out)	494 (67.4)	176 (24.0)	62 (8.4)	2.20	0.873
The political stability in Malaysia is acceptable compared to other countries	367 (50.1)	246 (33.6)	119 (16.2)	2.55	0.923
Environmental conditions in Malaysia is satisfactory (e.g. forest covered area, pollution controls)	229 (31.3)	301 (41.1)	202 (27.5)	2.90	0.893
People from different ethnic backgrounds live in harmony in Malaysia	157 (21.4)	303 (41.4)	272 (37.1)	3.16	0.852
Overall, I am satisfied with the national (primary/secondary/higher) education system in Malaysia	174 (23.8)	294 (40.2)	264 (36.1)	3.07	0.894

A slightly higher number of respondents were neutral in their opinion on government capacity to protect national security from outside threat. They were also neutral in terms of providing equal opportunity in employment for men and women. The awareness is closely related to the governance in Malaysia, their views be considered by the relevant agency in mat-

ters that affect their welfare in the society. It is important to the citizens to feel confident to protect their rights and participate in the development activities.

About half of the respondents disagree with the notion that the law enforcement in Malaysia is effective. Although 44% of the respondents feel that there is lack of freedom to raise voice for protecting their rights. This general feeling of poor enforcement is not surprising in Malaysia (Table 11). The development of various sectors has not been followed by proper development plan. Implementation of development programmes must be monitored through planned and systematic way.

The respondents are divided in their opinions on public health care facilities. About 80% of respondents feel that the public health care facilities are acceptable. Respondents are happy in terms of access to information technology. They feel that the internet speed and coverage should be increased to enhance growth and development. Majority of the respondents feel that Malaysians have   equal and fair access to education regardless of race and social status. However, they agreed that there is limited job opportunity in Malaysia.

Table 11
Perceptions of respondents on equity and welfare

Statements	Negative	Neutral	Positive	Mean	Std. Div.
The law enforcement in Malaysia are effective and efficient	310 (46.3)	287 (39.2)	135 (18.4)	2.67	0.954
The national security in Malaysia is efficient and effective against war threats, terrorism and illegal migration	225 (30.8)	273 (37.3)	234 (32.0)	2.96	0.973
I am happy with the public health care facilities in Malaysia (hospitals, clinics, health specialists and staff)	115 (15.7)	312 (42.6)	305 (41.6)	3.27	0.885
Everyone in Malaysia enjoys a good amount of freedom of speech	322 (44.0)	299 (40.8)	111 (15.2)	2.63	0.904
In Malaysia, both men and women have equal opportunity in jobs and promotion	194 (26.5)	318 (43.4)	220 (30.0)	3.02	0.924
In Malaysia, everyone regardless of their race and social status have equal access to education	138 (18.9)	306 (41.8)	288 (39.3)	3.20	0.906
Information technology (IT) infrastructure is good (internet speed, connection and coverage)	223 (30.5)	240 (32.8)	269 (36.7)	3.04	0.977
There are adequate job opportunities in Malaysia	276 (37.7)	266 (36.3)	190 (25.9)	2.83	0.925

Table 12 presents the opinions on spirituality of respondents. On the spiritual practice in the community, the respondents agreed that they perform religious activities such as everyday prayer, regular visit to place of warship, participate in religious discussions and activities, and support towards the needy people according to the religious thought. The general feeling by most respondents indicate that the spiritual values are important for social wellbeing and peace in the society.

Table 12
Perceptions of respondents on spirituality and peace

Statements	Negative	Neutral	Positive	Mean	Std. Div.
I pray everyday	70 (9.5)	173 (23.6)	489 (66.8)	3.90	1.038
I make time to visit my place of worship (mosque/temples/churches) whenever I can	92 (12.6)	229 (31.3)	411 (56.2)	3.62	1.004
Sometimes, I have discussions on religious teachings and values with my family members	105 (14.4)	213 (29.1)	414 (56.6)	3.60	0.996
Whenever I can, I help others personally or/and through my religious institutions (zakat/donation/alms)	54 (7.4)	200 (27.3)	478 (65.3)	3.79	0.912
I try to do my best to adhere to my religion's teachings (e.g., fasting, praying, pilgrimage etc.)	45 (6.2)	138 (18.9)	549 (75.0)	3.99	0.904

Half of the respondents' report that they have account with Islamic banking as they think that Islamic banking system can protect their rights with fair dealing. However, the respondents are divided with their opinions on the efficient management of zakat. The management of zakat is not effective and should be improved. Majority of the respondents agreed that they prefer Shariah compliant financial system as this system is fair compared to the traditional financial system (Table 13).

Table 13
Respondents' opinion on religious matters

Statements	Yes	No	Don't know
Do you have an Islamic banking account? (e.g. Al-Wadiah, Al-Awfar)	372 (50.8)	276 (37.7)	-
Do you think that Islamic economic system is able to protect property rights and sanctity of contracts in business dealings?	366 (50.0)	31 (4.2)	246 (33.6)
Do you think that the zakat management in Malaysia is efficient and effective?	239 (32.7)	188 (25.7)	217 (29.6)
Do you think that the Waqaf management in Malaysia is efficient and effective?	217 (29.6)	136 (18.6)	295 (40.3)
Would you prefer Shariah compliant financial products (banking/insurance/investment/business) over conventional ones?	515 (70.4)	24 (3.3)	109 (14.9)

5 Discussion and conclusion

The Gross Domestic Product (GDP) is widely used as an indicator for national development. It has been argued that GDP is not a true indicator for measuring social development. Several countries developed alternative measurement index to understand the wellbeing of people in the society. In the multi-ethnic people in Malaysia, such wellbeing measurement is very important to understand whether the development activities results in betterment of mass

population in Malaysia. The objective of the study is to elicit people's perception on various social, cultural, spiritual and governance factors that contribute to wellbeing of people in the community.

Respondents from different stakeholders have positive perceptions on the social factors. It was found that trust and cooperation among the households in the community are the important factor for wellbeing and happiness. The results of the study indicate that respondents are happy for public support services like water supply and health by the government. The results indicate that respondents are concerned about lack of governance and poor enforcement in the community. The results also indicate that respondents are concerned about inequitable distribution in the economy. The findings indicate that there is high level of spiritual values and religious practices in the society. The main results of the study is that social, governance and spiritual factors are very important for measuring indicators of sustainable development of Malaysia. Development programmes should identify the important social and governance factors for measuring the development progress to achieve sustainable development of Malaysia.

Acknowledgement

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