

Economic Indicator of Malaysia: Correlations of Well Being Indexes

Mohd Harridon^{1,2}, Azhari Malim Jaafar²

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Abstract- There are several metrics to indicate the economic status of countries. There exists an index called the Well Being Index that stipulates in numerical form the health and state of the economic components of a country. This paper discerned the Well Being Indexes of Malaysia and made correlational analyses among these indexes.

I. INTRODUCTION

The economy of a nation is vital in order to satiate the population. Countries are taking initiatives to alleviate their economies via numerous means and methods. According to Raisova and Durcova economic growth is vital for the sustainability of nations and it could be measured by the demand and supply perspectives of the nation [1]. They further iterated that economic growth could be predominantly altered due to the changes of the rate of demand. This somehow entails that indexes are vital to represent the economic scenarios of a nation and these indexes could capture the alterations as well.

The Well Being Indexes are indicators that were utilized by the government of Malaysia to represent the state of the populations in Malaysia in terms of income, transportation, health, and others. Bakar and et al in their paper pointed out that the indexes were used to gauge the quality of lives of Malaysian in order to provide balanced solutions [2].

The productivity of the nation also contributes to the economic growth of the nation and also of its well-being. Harridon stated that there were several factors that contributed to the productivities of organizations and its vital to dissect these factors in order to increase productivities and eventually aiding the economic growth of the nation [3]

II. LITERATURE REVIEW

The economy of a country should be at its apex or at its optimum level so that the populations could reap its rewards. For businesses to thrive, they need to acquire substantial funding or finances. Lapavitsas and Soydan mentioned the financial approaches that could be acquired by countries or organizations in order to alleviate the economies of the nations [4]. Both of them discerned the banking sectors and household finances to gauge the financial approaches utilized by different organizations.

Health also plays a pivotal part in the well-being of individuals in designated countries. Healthy populations would increase productivities and Harridon stipulated with evidences that those who are healthy would produce outputs that are desirable and this alleviated the organizations and the economy of the nation [5]. One of the Well Being Indexes gauged the health of the population as this is also a vital indicator of the vibrancy of the economy of the nation.

There are myriad economic indicators that are well utilized by countries to denote the health of the economies of the nations. Khranov and Lee stated that the inflation rate of the nation could be used as one of the indicators of the economic vibrancy of the nation and they furthermore stated that other indicators such as unemployment, Gross Domestic Product (GDP), government deficit, and others can be utilized as assessment tools to gauge the health of the economies [6].

The well being of the population is always the primary concern of any government where the government would produce agendas and projects to satiate the needs of their people. According to Ruggeri and et al, well being can be denoted as those that achieved high productivity, were more creative, has more positive relationships, and others [7]. Ruggeri and et al also mentioned longevity as the hallmark of optimum well-being and physical health also contributed to good well-being.

Yang stipulated that a Well Being Index should integrate health of the individual in it as it's an indicator of the social system of the nation and it's also an indicator whether the nation could afford to give the best healthcare for its citizen [8]. Yang also stated that education and income are good measures of the sustainability of the economy of the nation.

Morse indicated that the quality of life should be indexed as this component represents the economic state of the nation through the lenses of its people [9]. Morse further iterated that human development is also important for the growth of the country and emphasis should be given towards it. Moreover, Harridon indicated that the quality of life and proper human development would curtail or reduce any errors imparted by the workers and thus in a sense productivity and safety would increase [10].

2. Methodology

Figure 1 shows the methodology that was utilized.

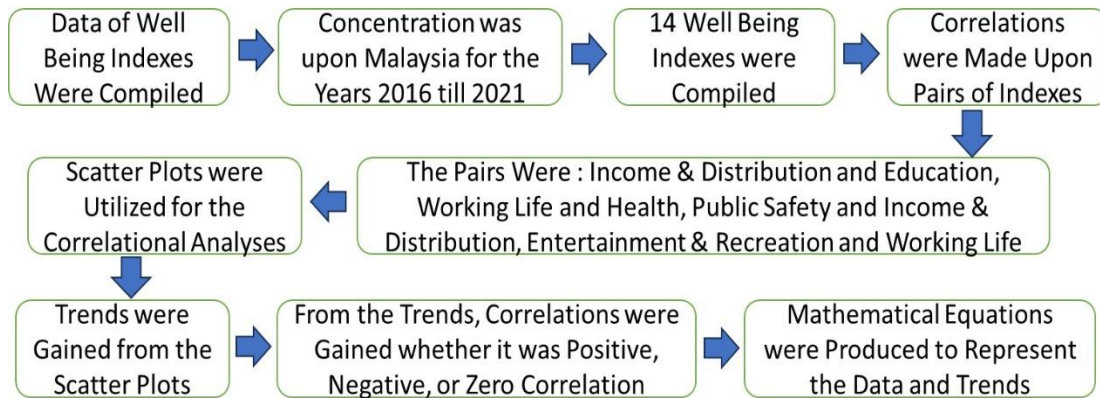


Figure 1. The Approach to gain the Correlations

The Well Being Indexes were compiled where concentration was upon the country Malaysia. The time range of the indexes were arbitrarily set from the year 2016 till 2021. Overall, 14 indexes were compiled and these indexes were shown in Table 1. We arbitrarily made pairs of these indexes where the intention was to gain correlations upon these pairs. The pairs that were established were Income & Distribution and Education, Working Life and Health, Public Safety and Income & Distribution, Entertainment & Recreation and Working Life. Scatter Plots were utilized to gain the Correlational Analyses. Trends were gained from these Scatter Plots. From these trends, we had acquired correlations, either it was Positive Correlation or Negative Correlation or Zero Correlation. The data and trends

were then represented by a set of mathematical equations which could be utilized for future projections.

III. RESULTS

The components of the Well Being Indexes that are utilized in this research are shown in Table 1. These indexes are for the years 2016 till 2021 and concentrated and focused upon the country Malaysia.

Table 1. The Indexes

INDEX	YEAR					
	2016	2017	2018	2019	2020	2021
Income & Distribution	121.5	124.9	127.7	130.7	117.8	120.6
Working Life	114.9	119.0	117.8	123.1	123.4	124.7
Transport	126.2	127.0	132.3	134.2	127.2	125.8
Communication	127.1	128.8	128.8	129.9	129.4	131.1
Education	125.6	126.8	128.8	131.5	132.2	133.8
Health	102.7	104.0	102.5	103.8	110.4	108.4
Housing	114.1	115.8	117.1	118.4	119.6	120.8
Environment	99.9	104.8	106.7	102.8	105.6	108.5
Family	98.0	97.9	98.4	98.4	97.7	98.9
Social Participation	122.7	124.6	128.1	131.7	132.8	130.9
Public Safety	119.0	120.3	122.1	123.1	134.1	138.7
Culture	104.2	106.1	104.8	105.1	90.2	96.0
Entertainment & Recreation	127.4	128.9	131.0	130.0	109.8	104.5
Governance	107.2	120.1	116.5	118.4	117.7	125.7

As can be seen there are in total 14 components of the indexes and selected components were paired to produce the correlational analyses as seen in Figures 2 till 5.

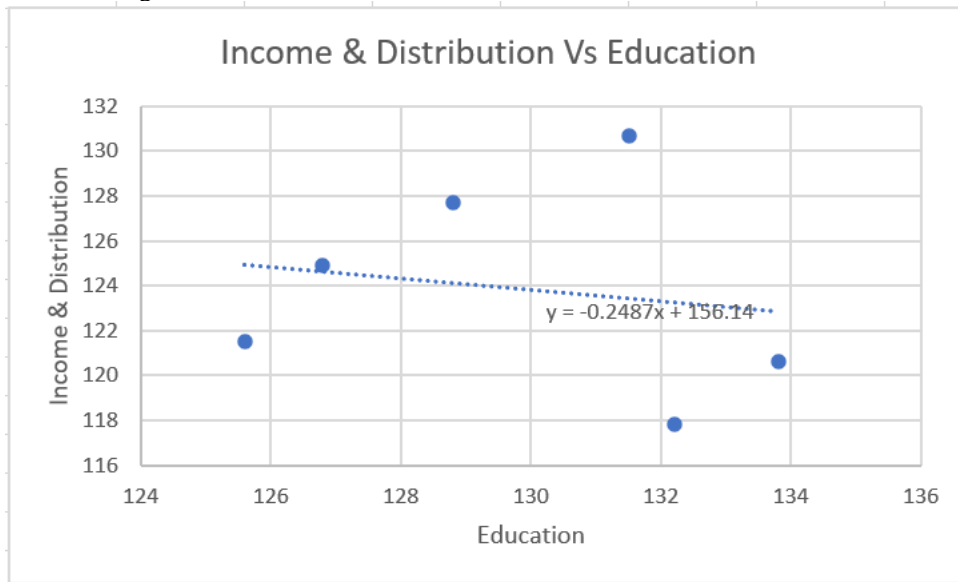


Figure 2. Correlation between Income & Distribution and Education

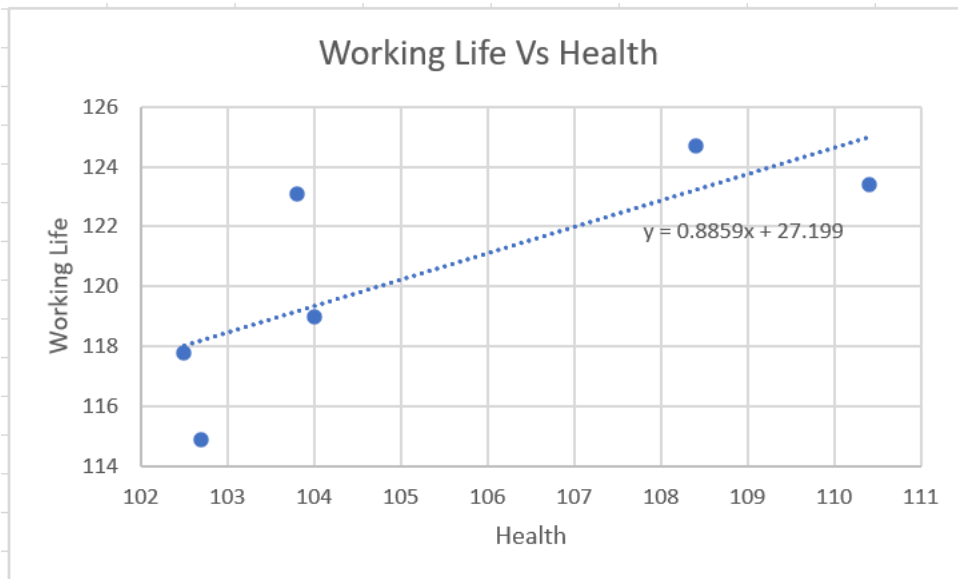


Figure 3. Correlation between Working Life and Health

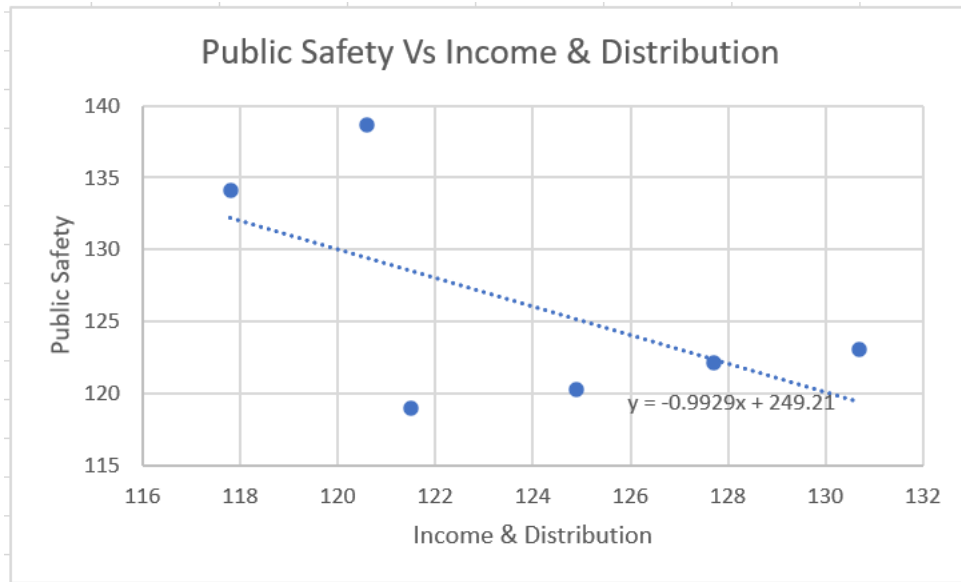


Figure 4. Correlation between Public Safety and Income & Distribution

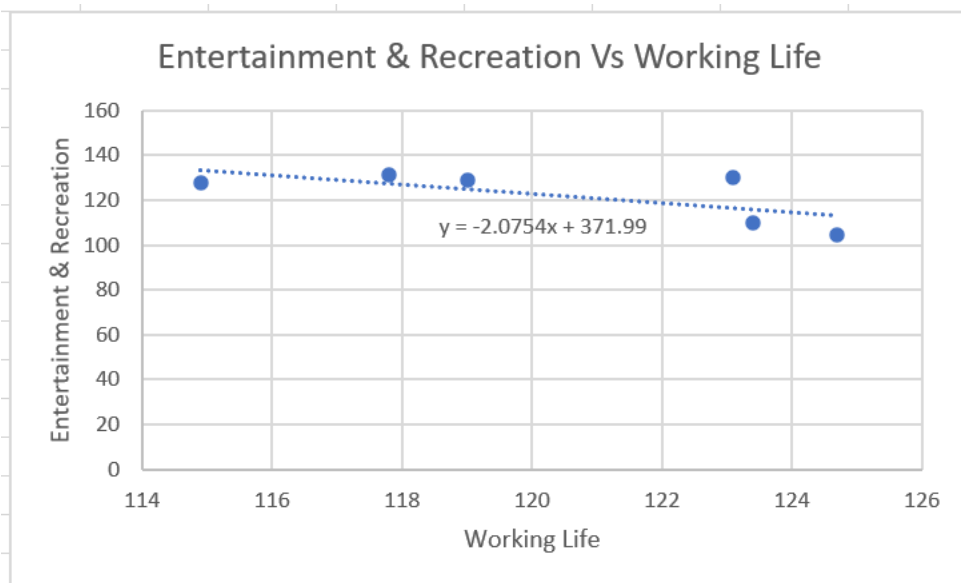


Figure 5. Correlation between Entertainment & Recreation and Working Life

IV. DISCUSSION

Correlational Analysis is shown in Figure 2 where the correlation between Income & Distribution and Education was shown. When the numerical value of the index of Education increases, the numerical value of the Income & Distribution decreases. This indicates a Negative Correlation between these two parameters. It's sufficed to say an increase in the education level of an individual does not guarantee an increase of income or a satisfactory income level in tandem with the academic or vocational qualifications. Its perhaps due to the fact in some quarters experiences play significant roles in gaining more income.

In Figure 3, the correlational analysis between Working Life and Health was displayed. As the numerical value of Health increases, the index value of Working Life increases as well. This showed a Positive Correlation and this is somehow justified as if one's health is optimum, he or she would be at his or her best actuating the chores given by the employer. Even Voukelatou and et al mentioned that Health is an appropriate index to gauge the economic status of a nation [11].

In Figure 4, the parameters Public Safety and Income & Distribution were plotted and the correlation was shown. It showed a negative correlation where the increase of the value of the index of Income & Distribution had induced a decrease in the index of Public Safety. Somehow it plausibly indicates that the wealth distribution was not optimum and thus there was still concern with regards to Public Safety. Harridon postulated that its

vital to actuate classification upon entities as this would make the entities more feasible to be analyzed [12]. Thus, the Public Safety Index should be classified into smaller categories with their own indexes to give a more in-depth picture of the ecosystem pursuant to Public Safety.

In Figure 5, the correlation between Entertainment & Recreation and Working Life showed a Negative Correlation. As the numerical value of the index of the Working Life increases, the numerical value of the index of Entertainment & Recreation decreases. This may be attributed to the fact that some quarters may have the creed to allocate portions of their income to savings and thus not indulging much into Entertainment & Recreation activities. Ribaj and Mexhuani stated that savings contributed to the economy of a nation and savings stimulated employment and production and this is a significant factor to be taken into account in order to alleviate the economy of a nation [13].

V. CONCLUSIONS

The Well Being Indexes implemented by Malaysia were representatives of the economic scenarios of Malaysia from the year 2016 till 2021. The authors had taken the liberty to perform correlational analyses upon these indexes where several indexes were paired arbitrarily to gain their correlations. The results were mixed with amalgam of Positive and Negative Correlations which indicated some correlations were not straightforward as some defies conventional wisdom. Although this is so, the results were interesting and worth a deeper investigation to unearth other perspectives. It is also imperative if some indexes were dissected into smaller components to make the representations more accurate in terms of economic equivalencies.

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AUTHORS

First Author – Mohd Harridon, Universiti Kuala Lumpur
Malaysian Institute of Aviation Technology, Foundation of Rural
Community & Economic Development (FORCED)
mdharridon@unikl.edu.my

Second Author – Azhari Malim Jaafar, Foundation of Rural
Community & Economic Development (FORCED)