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INTRODUCTION

The Survey whose results Penang Institute is presenting to you today was conceived in simpler and happier times. Covid-19 hit us right in the middle of the process, but we have had to remain resilient, and after adapting to new circumstances, we have completed the inaugural survey of what we call the Happiness in Penang (HIP) Index, to provide us with data on the wellbeing of the people of Penang.

When this project was conceived within the Penang2030 Vision that Chief Minister YAB Chow Kon Yeow announced to the world in August 2018, Malaysian society as a whole was very optimistic, and Penang especially felt proud to have been a major player in trying to reform Malaysian politics.

Since then, Covid-19 has hit us, and the political terrain is now both confusing and in many ways toxic and divisive. But we must persevere.

Although we live in a democracy, we do know that many of our fellows suffer in silence; they also cheer silently. It is therefore useful that we reach out to them and provide them with a platform to tell us how they really feel.

Today, we would like to present to you how the people of Penang have been feeling over the last two years. The survey results, however, seek to be more than a mere description of the situation as it was when the questions were asked and answered. Since the HIP Index will be computed every 2-3 years, the first survey will act as a basis for comparisons with future surveys in this series.

In fact, data collection for the next survey will already start in the first half of 2022.

Now, the HIP Index comprises of four domains. What we seek to measure are how people feel when it comes to:

1. **F**reedom and Governance
2. **E**conomic Wellbeing
3. **E**nvironmental Sustainability
4. **L**iveability and Social Wellbeing

For simplicity, we call these the FEEL domains.

Dato' Dr Ooi Kee Beng
Executive Director

EXECUTIVE SUMMARY

Happiness in Penang (HIP) Index

The pace of economic development is often seen as the main measurement of a country's progress. The gross domestic product (GDP) and the gross national product (GNP) are certainly important and influential when it comes to policy making and decision-making processes, as they are reliable and important indicators of a country's economic health. However, these metrics are limited when it comes to measuring the country's well-being and social progress. The measurement of life satisfaction and happiness has steadily gained importance, with happiness economics being acknowledged as a branch of economics. Sustainable development should take a holistic approach towards notions of progress and give equal importance to non-economic aspects of wellbeing.

Using the framework of Bhutan's Gross National Happiness Index (GNH), the Happiness in Penang (HIP) index takes a multidimensional approach in measuring the happiness and life satisfaction of the people in Penang. The four main themes for Penang2030 - liveability, economy, empowering the community, and environment – are the key components in developing Penang's Happiness Index. In accordance to these themes, the domains for the index, as well as its corresponding indicators are:

Figure 1: Domains and indicators for the HIP Index

Freedom & Governance	Economic Wellbeing	Environmental Sustainability	Liveability and Social Wellbeing
• Political freedom • Community and civic participation • Religious/cultural/spiritual freedom • Freedom of speech • Fundamentals human rights • Governance	• Income and salaries • Household expenditure • Financial security • Asset ownership • Employment opportunities • Social and economic mobility	• Environmental conservation • Environmental issues and awareness • Environmental policies • Eco-friendly behaviours	• Housing • Family and community wellbeing • Culture and heritage • Safety and security • Cleanliness • Urban connectivity • Digital connectivity • Health • Wellbeing and quality of life

METHODOLOGY

A survey of 3,011 respondents was carried out between October 2020 and April 2021 to determine the sentiments and life satisfaction of Penangites as according to the four domains. The survey results form the base for the HIP Index measurement.

As far as satisfaction goes, it was found that satisfaction was higher in the domain of liveability and social wellbeing, where most indicators achieved a strong level of satisfaction, among them housing, family relationships, and culture and heritage. Although some respondents indicated that their state of life was better before the pandemic, more than half professed themselves to be in at least a good stage of life. On the other hand, a neutral attitude was prevalent in the domain of Freedom and Governance, with Governance achieving the lowest level of satisfaction, while a high percentage of Penangites were satisfied with their religious/cultural/spiritual freedom.

Where Economic wellbeing is concerned, considerably high satisfaction levels are seen for social and economic mobility and household expenditure. Conversely, satisfaction over financial security are at considerably lower levels.

Government policies to protect the environment are well-received, as illustrated in the domain for Environmental sustainability. Awareness of environmental issues is also prevalent, with river pollution and air pollution being the main areas of concern.

The HIP Index is calculated using the Alkire-Foster methodology. It measures each person's satisfaction/happiness achievements in each indicator. A person does not need to be sufficient in all indicators within each domain to be determined as "happy"; three cut-off points are therefore applied to identify degrees of happiness. Those who have achieved sufficiency in less than 50% of the weighted indicators are identified as "unhappy". Those who are "narrowly happy" are those who recorded sufficiency in 50% to 65% of the indicators, while those who are considered "happy" register sufficiency in 66% or more.

THE INDEX VALUE

The HIP Index value for 2020-2021 is estimated at **0.881** (0 = Unhappy; 1 = Happy)[1]. It indicates that about 76.5% of Penangites are identified as happy, and the remaining 23.5% are not-yet-happy. Results show that not-yet-happy people still enjoy sufficiency in 49.6% of the weighted indicators on average. Among not-yet-happy people, 13.7% are narrowly happy and nearly 10% are unhappy (Table 1).

Table 1: Categories of HIP, headcount and sufficiency

Categories	Happiness threshold	Headcounts	Average sufficiency
Happy	≥66%	76.5%	85.8%
Not-Yet-Happy	<66%	23.5%	49.6%
Narrowly Happy	50%-65%	13.7%	54.1%
Unhappy	<50%	9.9%	36.7%

The percentage of happy and satisfied people was also calculated for each domain (Figure 2). For the domain of Freedom and Governance, about 78.2% of people in Penang have achieved happiness, while 8.6% are considered narrowly happy. Approximately 13.2% of

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1 Definition of Happy: Achieving sufficiency (how much is "enough" to be identified as happy as per survey and our own calculations) in 66% of weighted indicators.

respondents are identified as unhappy in this domain. The percentage of happy people is slightly higher for the domain of Economic wellbeing, with 79.1% respondents identifying as happy, and 11.5% as narrowly happy. The percentage of unhappy people is lower compared to the previous domain, at 9.4%.

The percentage of happy people is at comparable levels for the Environmental sustainability domain, with 76.1% of respondents considered happy. Subsequently, 14.5% are narrowly happy, while 9.3% are seen to be unhappy. Last but not least, the domain of Liveability and social wellbeing has the highest percentage of happy people at 79.3%. As for the narrowly happy people, these stand for 7.7% of total respondents, while unhappy people total 13% overall.

Figure 2: The composition of happiness by domain

Freedom and governance

| 13.2% | 8.6% | 78.2% |

Economic wellbeing

| 9.4% | 11.5% | 79.1% |

Environmental sustainability

| 9.3% | 14.6% | 76.1% |

Liveability and social wellbeing

| 13.0% | 7.7% | 79.3% |

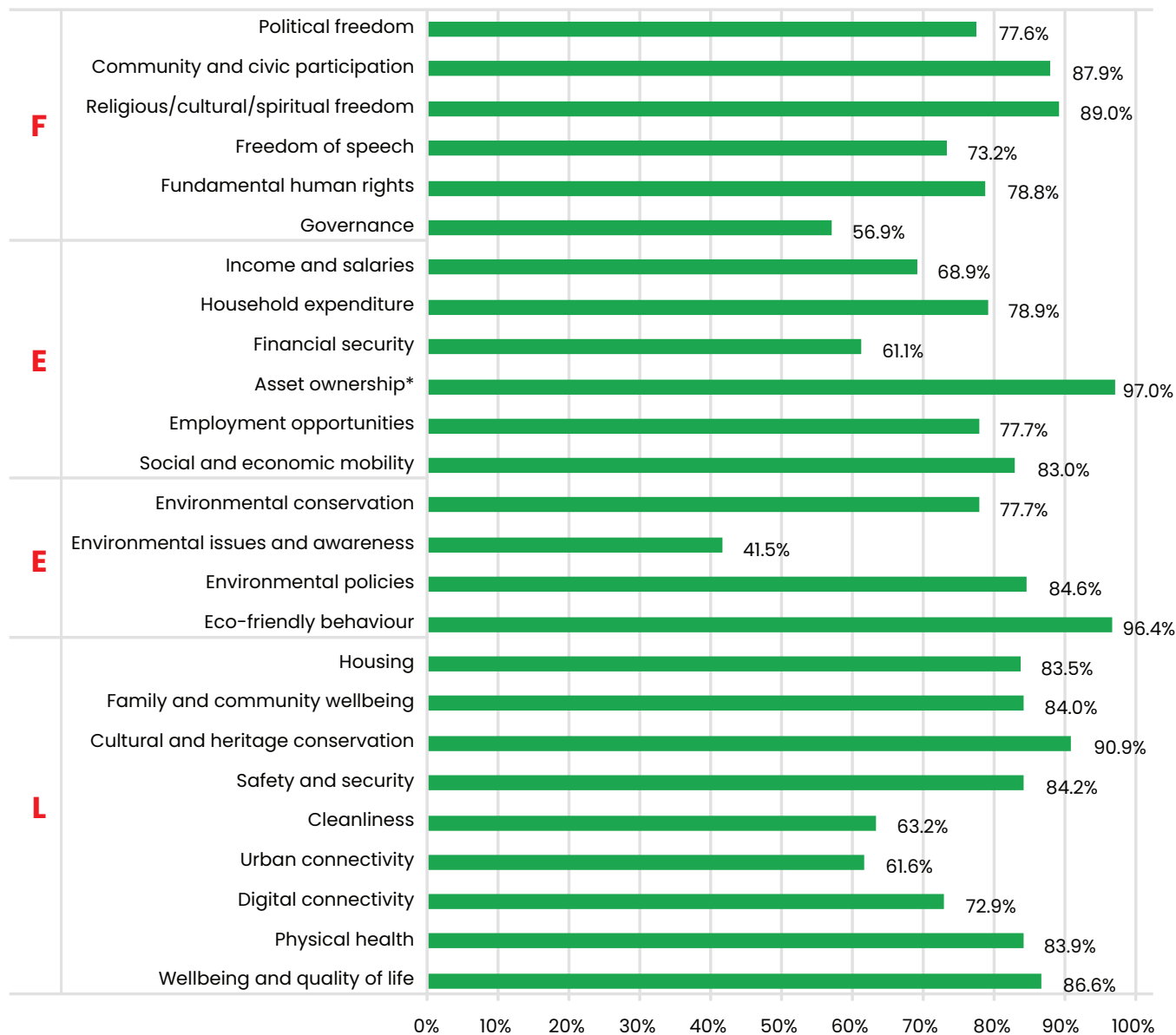● Unhappy   ● Narrowly happy   ● Happy

In examining the sufficiency levels for each individual indicator across the domains, it is found that sufficiency levels can be markedly different (Figure 3). For the domain of Freedom and Governance, the indicators of community and civic participation and religious/cultural/spiritual freedom see high percentages of sufficiency, at 87.9% and 89.9% respectively, which are among the top five highest percentages of sufficiency. On the other hand, Governance (56.9%) is identified as the indicator with the lowest percentage of sufficiency attained within the domain. In fact, it also represents the indicator with the second lowest level of achieved sufficiency across all indicators in four domains.

At 97%, the sufficiency level for asset ownership is found to be in the highest percentage in the Economic wellbeing domain, in addition to being the indicator that enjoys the highest percentage of sufficiency across all 25 indicators. 77% of the respondents experienced sufficiency in the indicator of employment opportunities, but sufficiency is lower when it comes to income and salaries (68.9%). At 61.1%, financial security emerges as the indicator with the lowest percentage of sufficiency domain-wise, in addition to being among the overall indicators with the least percentage of respondents seeing sufficiency.

In the domain of Environmental sustainability, eco-friendly behaviours see the highest percentage of respondents attaining sufficiency at 96.4%. On the other hand, only 41.5% of respondents see sufficiency in the indicator of environmental issues and awareness, marking it the indicator with the lowest percentage of achieved sufficiency, within the domain as well as amongst all indicators.

Most indicators in the Liveability and social wellbeing domain record percentages of sufficiency above 80%, with cultural heritage and conservation (90.6%) and wellbeing and quality of life (86.6%) being the top two indicators with the highest percentage of sufficiency. Digital connectivity is seen to be on the lower spectrum, with 72.9% of the respondents signifying sufficiency. Conversely, cleanliness and urban connectivity report the lowest percentages of achieved sufficiency, at 63.2% and 61.6% respectively.

Figure 3: Percentage of people who experience sufficiency in each of the indicators

Category	Indicator	Percentage
F	Political freedom	77.6%
	Community and civic participation	87.9%
	Religious/cultural/spiritual freedom	89.0%
	Freedom of speech	73.2%
	Fundamental human rights	78.8%
	Governance	56.9%
E	Income and salaries	68.9%
	Household expenditure	78.9%
	Financial security	61.1%
	Asset ownership*	97.0%
	Employment opportunities	77.7%
	Social and economic mobility	83.0%
E	Environmental conservation	77.7%
	Environmental issues and awareness	41.5%
	Environmental policies	84.6%
	Eco-friendly behaviour	96.4%
L	Housing	83.5%
	Family and community wellbeing	84.0%
	Cultural and heritage conservation	90.9%
	Safety and security	84.2%
	Cleanliness	63.2%
	Urban connectivity	61.6%
	Digital connectivity	72.9%
	Physical health	83.9%
	Wellbeing and quality of life	86.6%

*Note: The final threshold across the two assets of house and vehicle is applied so that if the respondent possesses sufficiency in either one, then the person is classified as being sufficient in assets overall.
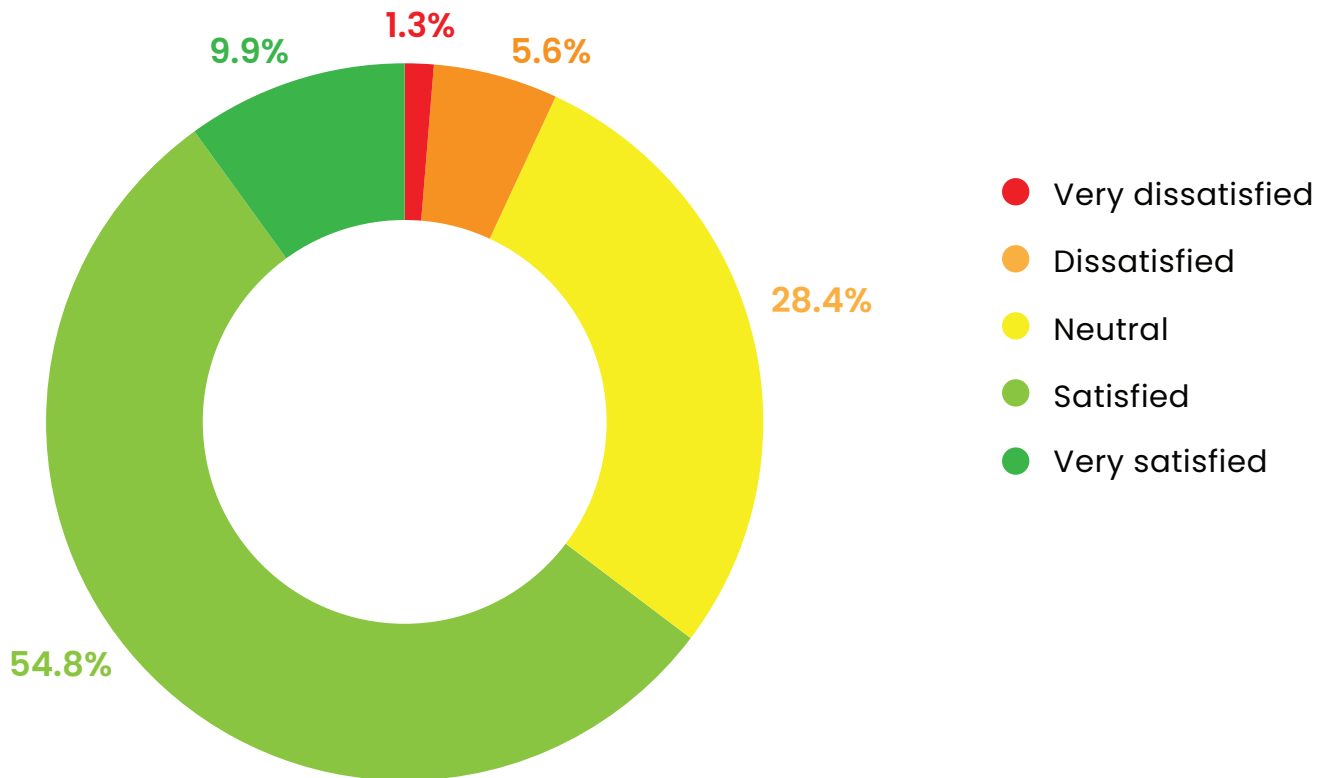
Overall, the calculation of the HIP index shows that each domain and its indicators contribute differently to the overall happiness of the people in Penang, as the perception of happiness and sufficiency is subjective for each individual. As such, the HIP index provides a nuanced and balanced picture of experienced happiness and life satisfaction in Penang.

Appendix 1:
Survey Results

Perception towards present quality of life (N = 3,011)

- 🔴 Very dissatisfied — 1.3%
- 🟠 Dissatisfied — 5.6%
- 🟡 Neutral — 28.4%
- 🟢 Satisfied — 54.8%
- 🟢 Very satisfied — 9.9%

Satisfaction levels towards spending on living expenses

Mortgage/rent

Food (dining out)

Entertainment (movies etc)

Groceries

Petrol/transportation

Shopping (clothing etc)

Communication (phone, internet)

Utility bills

Healthcare

0%   50%   100%

● Very dissatisfied   ● Dissatisfied   ● Neutral   ● Satisfied   ● Very satisfied
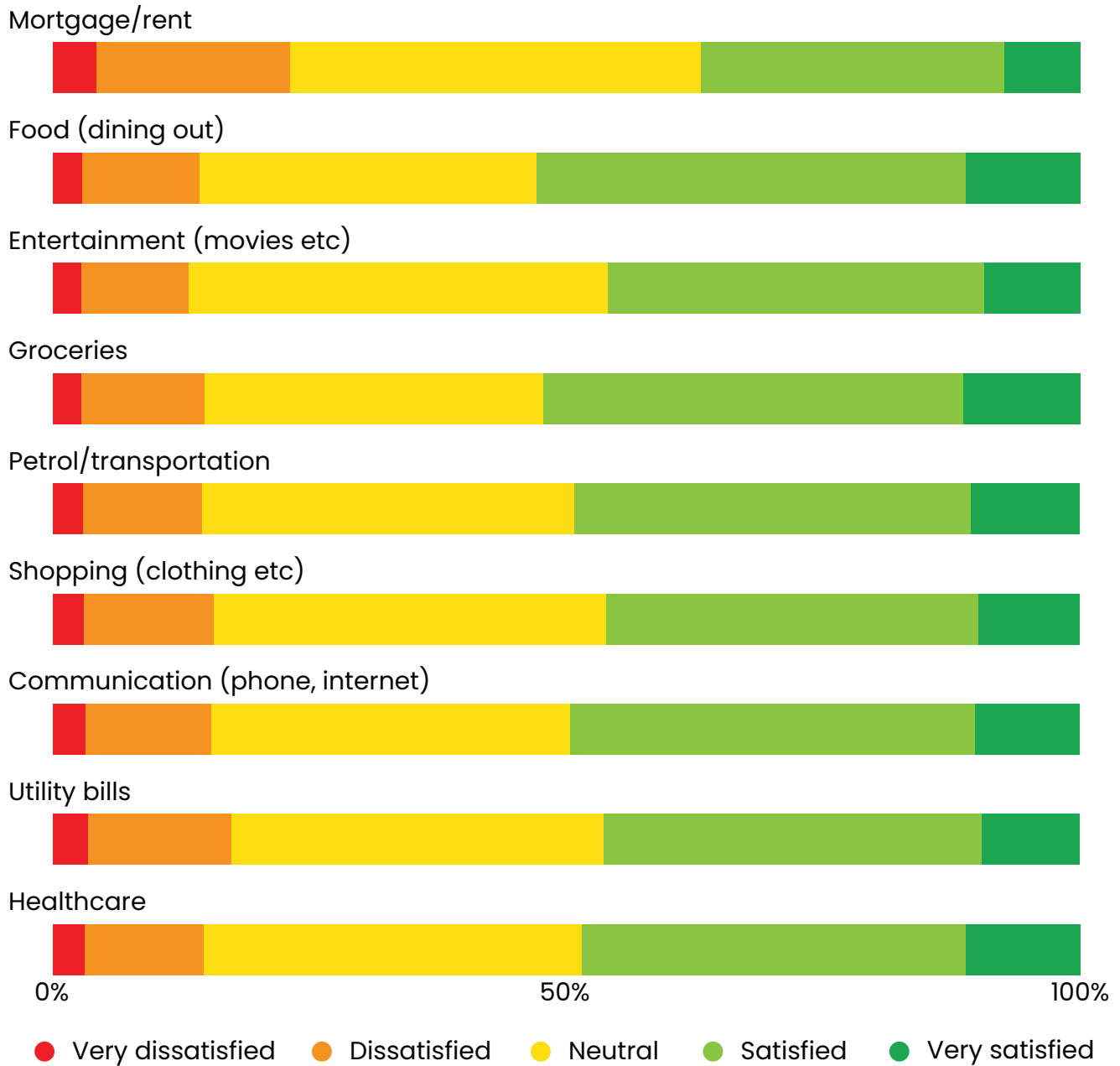
Satisfaction levels towards digital connectivity
(N = 2,911)

Access and stability

| | 19.06% | | 37.1% | |

Speed

| | 20.10% | | 33.5% | |

Affordability

| | 17.95% | | 34.0% | |

0%   50%   100%

● Very dissatisfied   ● Dissatisfied   ● Neutral   ● Satisfied   ● Very satisfied

Satisfaction levels towards employment and opportunities

Availability of job opportinities
40.4%

Current employment
38.5%

Security of current employment
42.0%

Training and development opportunities
40.2%

Relationship with supervisor
38.3%

Relationship with colleagues
36.9%

0%　　　　　　　　　50%　　　　　　　　　100%

● Very dissatisfied　● Dissatisfied　● Neutral　● Satisfied　● Very satisfied

Satisfaction levels towards government policies for environmental protection

Cleaning up Penang rivers and seas

35.9%

No Plastic Bag Campaign

43.7%

No Single Use Plastics (eg straws, plastic bottles)

40.5%

Free CAT bus services

40.8%

Reduce, Reuse, Recycle, Rethink and Reinvent (5R)

40.5%

0%　　　　　　　　　　50%　　　　　　　　　　100%

● Very dissatisfied　　● Dissatisfied　　● Neutral　　● Satisfied　　● Very satisfied

Satisfaction levels towards religious/cultural/spiritual freedom (N = 3,011)

Freedom to choose religion and beliefs

42.0%

Freedom to practice religion of choice

43.7%

Freedom to dress in accordance to my religious and / or cultural beliefs

42.1%

Freedom to hold religious and / or cultural festivals

42.9%

0%   50%   100%

● Very dissatisfied   ● Dissatisfied   ● Neutral   ● Satisfied   ● Very satisfied

Satisfaction levels towards urban connectivity
(N = 3,011)

Road network and connectivity

42.5%

Road conditions (potholes, uneven roads etc)

31.5%

Traffic conditions (traffic jams etc)

33.4%

Walkability and pedestrian crossings

38.2%

Cycling lanes

41.6%

Availability of parking spaces

32.1%

0%　　　　　　　　　　　50%　　　　　　　　　　　100%

● Very dissatisfied　● Dissatisfied　● Neutral　● Satisfied　● Very satisfied

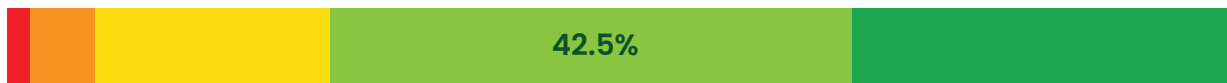# Satisfaction levels towards family interactions
(N = 3,011)

Support from family members

41.6%

Time spent with family members

44.9%

Trust levels between family members

42.5%

0%   50%   100%

● Very dissatisfied   ● Dissatisfied   ● Neutral   ● Satisfied   ● Very satisfied

Appendix 2:
Propensity for Happiness

Figure 1: Propensity for happiness by gender

Male

| 10.8% | 13.2% | 76% |

Female

| 9% | 14.1% | 76.8% |

● Unhappy ● Narrowly happy ● Happy

Figure 2: Propensity for happiness by district

Timur Laut

| 11% | 13.9 % | 75.1% |

Barat Daya

| 8.3% | 15.1% | 76.6% |

Seberang Perai Utara

| 3.4% | 8.8% | 87.8% |

Seberang Perai Tengah

| 6.4% | 9.6% | 84.0% |

Seberang Perai Selatan

| 20.8% | 21.7% | 57.5% |

● Unhappy　　● Narrowly happy　　● Happy
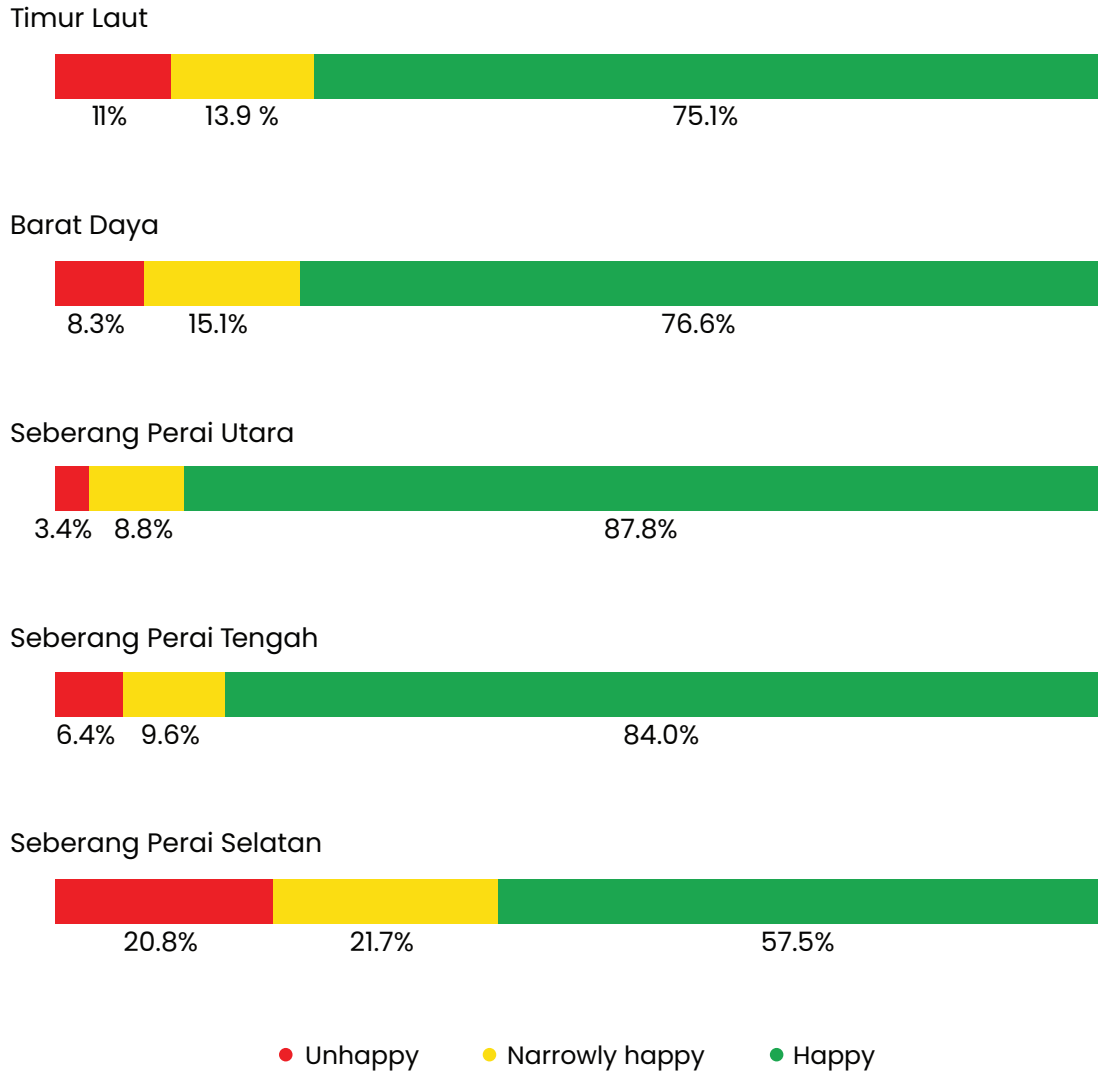
Figure 3: Propensity for happiness by age

Age	Unhappy	Narrowly happy	Happy
>=60	9%	8.1%	82.9%
31–59	12.2%	15.9%	71.9%
15–30	7.6%	12.3%	80.1%

● Unhappy ● Narrowly happy ● Happy
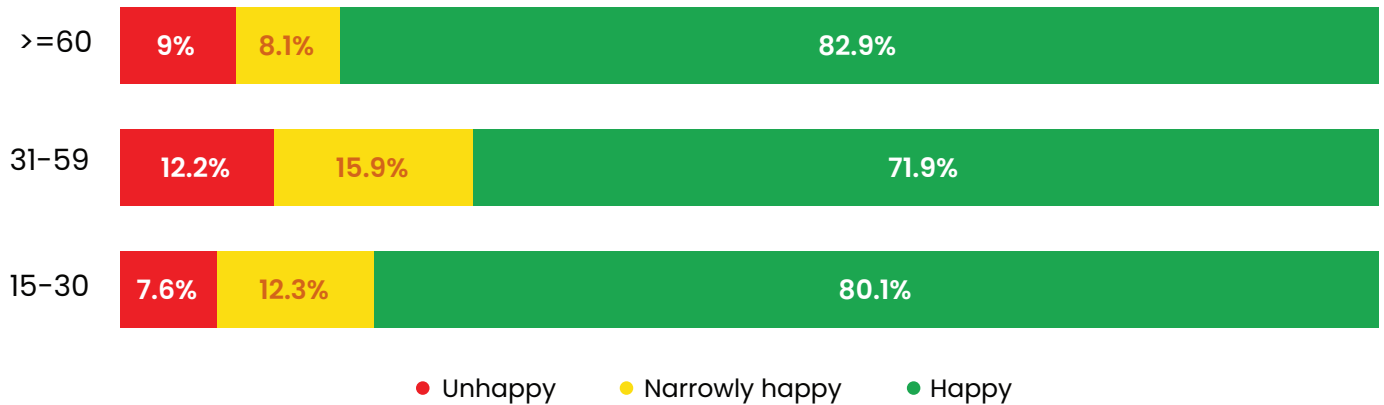
Figure 4: Propensity for happiness by education

Bachelor and above

Unhappy	Narrowly happy	Happy
9.7%	14.4%	75.9%

Vocational and diploma

Unhappy	Narrowly happy	Happy
8.9%	12.8%	78.3%

Upper secondary and lower

Unhappy	Narrowly happy	Happy
11%	13.6%	75.4%

● Unhappy ● Narrowly happy ● Happy

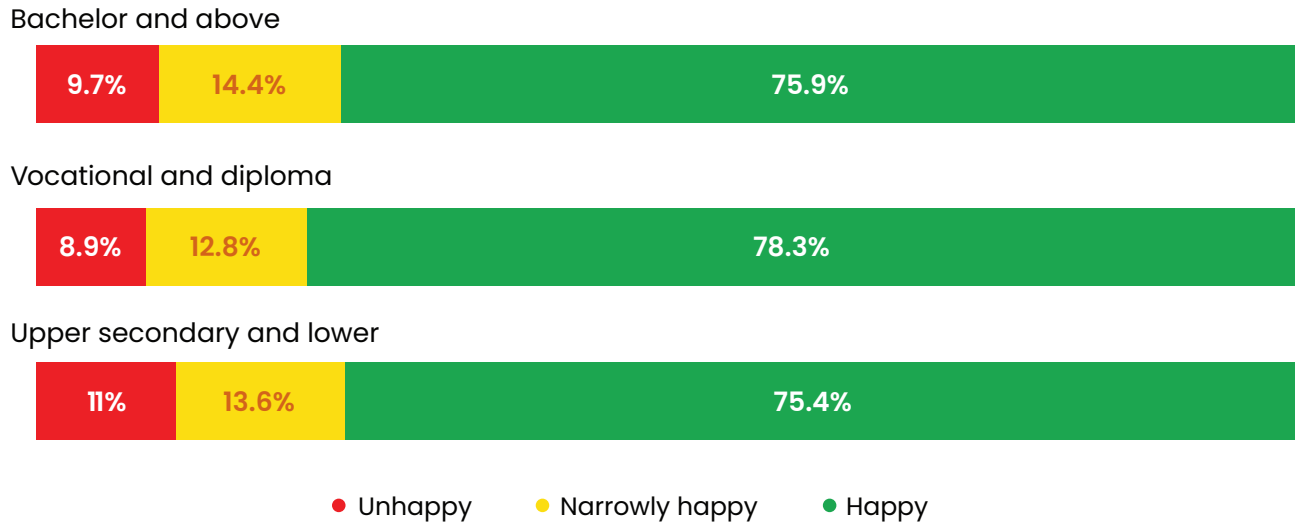# Figure 5: Propensity for happiness by employment status

Not employed and not looking for employment

4.8%   8.3%   87%

Not employed and looking for employment

14.6%   21.5%   63.8%

Employed

11.5%   15.3%   73.2%

● Unhappy   ● Narrowly happy   ● Happy

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