# Does Increased in Incomes Improves Quality of Life of the Rural Low Income Households?[#]

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**ABSTRACT**

The Malaysian government has implemented various economic development programmes since after the independence. The main goal is to increase the overall populations socio-economic levels which should lead to improved standard of living, well-beings and quality of life. Unfortunately, in most cases quality of life is been misinterpreted and been associated with other concepts such as standard of living and well-being. Hence, it is usually believed that when the standard of living of the low income households is improved, their well-being and the quality of life have also improved. This paper is to explore the indicators of quality of life form the perspective of low income households in rural areas and to analyze the achievement of quality of life among them. It is also determine whether improve in economic achievement promotes improved in quality of life. The findings discover that many low income households who participated in the socio-economic development programmes organized by the development agencies experience increase in income and hence, increase in their standard of living. The low income households have outlined 12 indicators of quality of life. Each household has its own quality of life indicators and all households agree that their quality of life has also improved even though they have not achieved all the outlined indicators. In addition, all respondents agree that improve in household incomes is the main factor to increase in household standard of living, well-being and quality of life.

**Keywords:** Low Income Household, Quality of Life, Standard of Living, Well-being
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## 1. INTRODUCTION

In general, most governments formulate their policies and development plans with the aims to improve the socio-economic status of the effected groups which also should lead to improved well-being and quality of life of the populations. Having a good quality of life has been almost everybody's dream. Many people are working hard to achieve better socio-economic standard and have comfortable life. It is usually believed that increased in income will lead to improve standard of living and hence will improve a household's quality of life.

In Malaysia, the government has imposed development policies and poverty alleviation plans and programmes to alleviate poverty and to improve standard of living and social well-being of the low income households. Entrepreneurship is encouraged

in Malaysia, especially among rural Malays. Various government and non-government agencies provide various financial and non-financial assistance to help the rural low income households to improve their economic status through various entrepreneurship programmes. In this case, entrepreneurship in rural areas is small businesses such as tailoring shops, convenient stores, food stall or restaurant and so on.

## 2. QUALITY OF LIFE

### 2.1. Definition and Concept
Quality of life is a complex and multidimensional construct. It requires multiple approaches from different theoretical angles. Quality of life has been defined in various perspectives and variables depending on life style, cultural and religious value of a person. Factors that effect a person's quality of life can also be

physical and emotional (Theofilou, 2013). In general, different people may define quality of life differently. It depends on various factors, such as health, economic and environmental conditions (Sahin et al., 2007).

Quality of life also can be seen from various aspects of life style of an individuals in a household (Sarmiento et al., 2010). The daily activities carried-out by individuals in a community could influence one's quality of life. In addition, an activity commonly practised by most members of a community could also influence one's quality of life. Findings on research carried-out in Bogota on cycling shows that physical activity and leisure activity have positive relationship with quality of life (Sarmiento et al., 2010).

Despite its complexity, almost every country has its own indicators and index for quality of life. The indicators and index are formulated based on the overall concept of quality of life embraced by its population. The indicators are set and formulated to suit the overall living condition and economic status of the particular community. Therefore, it is not an easy and it is a very tedious task to formulate the indicators to suit the overall livelihoods of particular community. For example, in general, developed and developing countries have different quality of life indicators. Quality of life indicators also defer from one social class to another in a country. The low income households surely has different indicators of quality of life than the rich. The index and indicators are updated, reviewed and adjusted periodically depending on the changes of lifestyle, religious and culture values of the citizens in general (Ubel et al., 2003).

The Federation of Canadian Municipalities (2004) define quality of life from six perspectives which are ones must fulfill their basic needs, develop and sustain economy, offer chances for personal objectives, encourage an unbiased allocation of public means, protect and enhance natural environment, and support all social interaction among residents. Using those indicators, the Federation of Canadian Municipalities has found that Canadian have not achieved the quality of life yet as there are income gaps among the residents (The Federation of Canadian Municipalities, 2004).

Malaysia also realizes the need to measure the nation's advancement beyond country development and taking quality of life into account. Hence in 1999 the Malaysia quality of life index (MQLI) was developed (Economic Planning Unit, 2013). Rationally, the MQLI was established to examine the efficiency of the government's numerous socio-economic growth policies in order to develop the well-being of the citizen. The components and indicators that taken into account were based on international best practices, and current issues faced by the citizen. Based on Economic Planning Unit (2013), there are fourteen index of the MQLI which are income and distribution, working life, transport, communications, health, education, housing, family, social participation, public safety, culture, environment, leisure, and governance.

## 2.2. Measurement
Indicators are quantitative measures of the quality of community life. Indicators that are meaningful and useful reflect a combination

of idealism (what we would like to measure) and pragmatism (what we are able to measure) (Quality of Life, 2008). The measurement is complex and subjective. Theofilou (2013. p. 151) describe the measurement as follows:

"The concept of quality of life broadly encompass how individual measures the "goodness" of multiple aspects of their life. These evaluation include one's emotional reactions to life occurrences, disposition, sense of life fulfillment and satisfaction, and satisfaction with work and personal relationship."

Cummins (2000) found that intercorrelated between objective and subjective indicators of quality of life increasingly associated as living condition is very low income households. For example, people with better job tend to be healthier and less pressure than those who are not. Therefore, the study shows that there are inter correlated between variables of quality of life even though the word "quality" itself is identical subjective that need indicators to measure. The indicators can be subjective or objective. The subjective indicator can be used to measure at macro level scale such as community, city or country levels. Whereas, the subjective indicators can be employed at individual's level of satisfaction. It is based on his or her experience; experience-based concept (Sahin et al., 2007).

The government utilize the index and indicators as a benchmark to measure the overall well-being of its population. The above indicators and index are used as the measurement for the achievements. However, due to the complexity and multifaceted construct of quality of life, the achievement can only be measured in general which may not be applicable to all socio-economic groups. In addition, quality of live and standard of living are often referred to in discussions about economic and well-being of countries and their populations (Financial Theory, 2012). The index and indicators are general and meant for macro level measurement. It is to reflect the general sense of population not the individual (Young, 2008). Therefore, it is not very suitable to use to measure at a household and an individual levels.

According to AS Level Health and Social Care Digital Resources, factors that affect a person's quality of life may be physical or emotional. These include:
- Physical factors: Exercise, diet, physical comfort, safety, hygiene, pain relief
- Intellectual factors: Stimulation, engaging in activities
- Emotional factors: Privacy, dignity, approval, psychological security, autonomy
- Social factors: Social contact, social support.

According to Ubel et al. (2003), there are more than 1000 instruments designed to measure quality of life. However, there are many publications on measuring quality of life of certain group of people that have not employed any of the instruments. This may be due to the scale and exclusiveness of the population (Theofilou, 2013).

## 2.3. Economic Development and Quality of Life in Rural Areas of Malaysia
Government of each country try to provide as much as possible all the facilities, infrastructure and amenities to accommodate the

needs of its population to improve their quality of life. Malaysia has started providing basic urban infrastructure in rural areas such as roads, health centres, hospitals, schools, piped water and electricity since after independence. This means that the early stage of rural development Malaysia is focusing on social development of the villagers and the later part of development approaches are focusing on services and facilities such as skill training, micro-credit loan schemes, financial and technical supports to improve economic achievement of the villagers (Kalthum, 2013).

The infrastructure and facilities promote economic growth in rural areas and increase the standard of living. It also promotes assimilation of the villagers into urban environment (Nor, 1992). In addition, the availability of good basic urban infrastructure and facilities has encouraged medium level industries to invest in rural areas and utilize the low and medium skilled laborers in the area.

The major rural development by the Malaysian government is to encourage industrial relocation into the rural areas. The highly dependency on agricultural as the main economic activities has been shifted to manufacturing. The goal is to diversify the economic activities of the rural areas (Ali, 2004). The evidence is that the later employment trend in rural areas illustrates that a large number of rural households do not engage with agricultural related activities (Thompson, 2003). Some of them become entrepreneurs where they own their own small businesses, many are working in factories, shopping centres, shops, restaurants and so on (Kalthum, 2013).

Entrepreneurship is an increasing popular employment trend in rural areas. Entrepreneurship in rural areas includes small businesses such as tailor, plumber, food and fruit stalls, general store, and night markets businesses. Various government and

non-government agencies provides financial and non-financial assistance to interested individuals in rural areas.

## 3. RESEARCH METHODS

The methods adopted for this study are both quantitative and qualitative research. A set of semi-structured questions for qualitative data and a set of simple questionnaire for quantitative data were prepared for this purpose. Ten households engaging in economic development programmes organized by Kedah Economic Development Authority (KEDA) and experiencing improved in economic achievement were interviewed for this study. For this purpose, the respondents were chosen among the participants who engaged with a loan scheme that provides essential equipment for various products proposed by the potential borrowers.

For this study, the definition of successful is based on the economic achievement of each respondent after joining the loan scheme offered by KEDA within 5-10 years. The respondents are selected based on their economic activities operated at home based level. Other factors such as their educational background and skills and also their former economic activities are also taken into account in measuring their economic achievements. Background and findings of each respondent is in Table 1.

### 3.1. Problem Statement

Many development and poverty alleviation projects are meant to raise the standard of living of the low income households which also meant to improve their quality of life. However, both elements are focusing different dimensions of the livelihoods of the low income households. Quality of life is subjective and

**Table 1: Background information of respondents**

| Name | Age | | Previous job | | Current job | | Previous HH Inc. (RM)* | | Current HH Inc. (RM)* | | Total HH income (RM) | |
|------|-----|-----|--------------|---|-------------|---|-----|-----|-----|-----|----------|---------|
| | H | W | H | W | H | W | H | W | H | W | Previous | Current |
| HH 1 | 40 | 36 | Rubber tapper | Rubber tapper | Rubber tapper | Own bakery shop | 600 | 600 | 600 | 2050 | 1200 | 2650 |
| HH 2 | 32 | 31 | Contract laborer | - | Fish monger | Tailor | 500 | - | 1200 | 3670 | 500 | 4870 |
| HH 3 | 44 | 43 | Rubber tapper | Rubber tapper | Fruit stall owner | Traditional cakes and cookies | 550 | 700 | 900 | 2600 | 1250 | 3500 |
| HH 4 | 40 | 39 | Landscape laborer | Food stall | Plumber | Caterer | 600 | 800 | 900 | 3400 | 1400 | 4300 |
| HH 5 | 42 | 44 | Building laborer | - | House builder | Produce chilli source | 750 | - | 2000 | 2795 | 750 | 4795 |
| HH 6 | 38 | 35 | Contract laborer | - | Gardener | Operate frozen food | 500 | - | 1800 | 2800 | 500 | 4600 |
| HH 7 | 45 | 43 | Landscape laborer | - | Landscape laborer | tailor | 500 | - | 500 | 2500 | 500 | 3000 |
| HH 8 | 45 | 47 | Lorry driver | Cleaner | Lorry driver | Laundry/dobby | 600 | 500 | 700 | 3700 | 1100 | 4400 |
| HH 9 | 45 | 45 | Taxi driver (rent) | - | Taxi driver (own) | Own bakery shop | 750 | - | 1300 | 3700 | 750 | 5000 |
| HH 10 | 38 | 32 | Van driver | Mak andam | Electrician | Wedding planner/florist and gift shop | 800 | 600 | 2500 | 2900 | 1400 | 5400 |

Source: Field work, H: Husband, W: Wife, RM: Ringgit Malaysia, USD1.00 = RM2.32

intangible while standard of living is more objective and tangible. Standard of living refers to level of wealth, material good, comfort and necessity (Financial Theory, 2012). As mentioned before, for the low income households, ability to meet their individual and households' basic needs is the basic indicator for quality of life. These include having secure jobs or source of incomes, comfortable houses, living in comfortable and secure environment. However, Seguino (1995) and Kalthum (2009) have argued that changes in employment pattern has reduces the quality time spent together by family members and reduced individual leisure time and activities. Hence, even though the incomes will increase, the quality of life of the households may be reduced.

Therefore, this study is to explore and determine the indicators of quality of life among low income households in rural areas and to analyze the impacts of increased in income on the quality of life of these households.

## 3.2. Research Objective and Question

The objective of this paper are:

- To determine the indicators of quality of life proposed by the low income households in rural areas
- To discover the achievement of quality of life indicators of the low income households in rural areas
- To determine whether increased in income has improved the quality of life of the low income households in rural areas.

The research questions are:

- What are the indicators of quality of life proposed by the low income households in rural areas?
- What are achievement of quality of life indicators of the low income households in rural areas?
- Does increased in income improves the quality of life of the low income households in rural areas.

## 3.3. Sampling Process

The selection process for the respondents starts with a series of discussions with KEDA Area Manager. The manager provides a list of women entrepreneurs who are doing their business from home who have spouses. From the list, the manager suggests more than 20 potential respondent to be interviewed for our study. The list was shortlisted by the research team after the potential respondents were contacted to obtain their approvals to be interviewed.

The decision was made based on their incomes and their ability to pay the loans. Site visits was done by the researchers to the selected respondents. From 17 site visits, 10 respondents were selected. The choice was made based on the willingness of the respondents to be interviewed and to share their experience with the researchers despite their busy schedule. In addition it is also based on the availability of the respondents during the fieldwork schedule. Semi-structured interviews were conducted to retrieve the information to answer the research questions. The data on background of the respondents, their previous and current employments and incomes are retrieved from the simple questionnaires. Brief background information of the respondents is been displayed in Table 1.

# 4. ANALYSIS AND FINDINGS

Table 2 shows that all the households are experiencing great increased in incomes from 120% to 539%. All the respondents agree that increased in incomes has improved their standards of living and the household members well-being.

## 4.1. What are the Indicators of Quality of Life Proposed by the Low Income Households in Rural Areas?

When asking about what do they perceive as quality of life indicators and the indicators that each of households has achieved, the answers are as displayed in Table 3.

In-depth semi-structured interviews with the respondents have stipulated twelve qualitative criteria that they perceived as indicators for quality of life. There are four indicators been suggested by all the respondents; fulfill basic needs, happy family, financial security or fix income and a good amount of savings. This means that the indicators can considered as the basic and important criteria of the low income households' quality of life. The findings show that the four indicators have been met by all the respondents.

Table 3 also displays that different households have different quality of life indicators. From the interviews with the respondents, the choices are based on various factors such as age, household composition, previous experience of the members, their needs and wants and several others. The indicators are also chosen by each household are based on what the members perceived as having good life. Since quality of life is subjective and intangible and is influenced by various internal and external factors, every household has its own set of criteria (Financial Theory, 2011).

## 4.2. What are Achievement of Quality of Life Indicators of the Low Income Households in Rural Areas?

The overall findings show that none of the respondents achieve all the indicators set/chosen by each of them. Household 1 achieve 45.5% of the chosen criteria and household 7 achieve 87.5%. The achievement of indicators for other households are about 60-70%. Discussions with the respondents, even though they have not achieved all the desired quality of life criteria, all of the respondents agree that they feel that their quality of life has improved.

**Table 2: Increase in household income**

| Name | Total HH income (RM) | | % increment |
|------|----------|---------|-------------|
| | **Previous** | **Current** | |
| HH 1 | 1200 | 2650 | 120.8 |
| HH 2 | 500 | 4870 | 874.0 |
| HH 3 | 1250 | 3500 | 180.0 |
| HH 4 | 1400 | 4300 | 207.1 |
| HH 5 | 750 | 4795 | 539.3 |
| HH 6 | 500 | 4600 | 820.0 |
| HH 7 | 500 | 3000 | 500.0 |
| HH 8 | 1100 | 4400 | 300.0 |
| HH 9 | 750 | 5000 | 566.7 |
| HH 10 | 1400 | 5400 | 285.7 |

Source: Field work

**Table 3: Quality of life indicators and the households achievements**

| Quality of life indicators | HH 1 | | HH 2 | | HH 3 | | HH 4 | | HH 5 | | HH 6 | | HH 7 | | HH 8 | | HH 9 | | HH 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 |
| Comfortable life | / | | / | | / | | | | | | | | | | | | / | / | | |
| Able to make choices | / | | | | | | / | | | | | | | | / | | / | | / | |
| Comfortable house and comfortable living environment | / | | / | | / | | / | | / | / | / | | | | / | | | | / | / |
| Fulfill the basic needs | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / |
| Happy family | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / |
| Close family ties | / | | / | | | | | | / | / | / | / | / | / | | | / | | / | |
| Well-behaved children | / | / | | | / | / | | | | | / | | / | | / | | / | | / | |
| Send children for tuition classes to improve their education | | | / | / | | | | | | | | | / | / | | | | | / | / |
| Financial security/fixed income | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / |
| Have time and money to spend for leisure and recreational activities with family members | / | | | | / | / | | | / | | / | | | | / | / | | | / | / |
| Able to spend money for hobbies | / | | | | / | / | | | | | | | / | / | | | | | / | / |
| A good amount of savings | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / | / |
| Total | 11 | 5 | 8 | 5 | 9 | 7 | 6 | 4 | 7 | 6 | 8 | 5 | 8 | 7 | 8 | 5 | 8 | 5 | 11 | 8 |

Source: Field work, 1 - Quality of life indicators, 2 - The household's achievements

## 4.3. Does Increased in Income Improves the Quality of Life of the Low Income Households in Rural Areas?

All respondents admit that financial security is the main contributing factor for improved in standard of living and their household members well-being. At the same time the improvement leads to improve in quality of life. Among the acknowledgements are as follows:

"Previously, even though my wife was not working and able to look after our children, we were not happy because my income was very low. We really had to plan our household expenditure. My wife had to borrow some money from her friends to fulfill our basic needs. But now with increased in income we are able to have choices of what to buy and not to buy. I can sleep well now knowing that tomorrow my family members have food to eat, my children can go to school with pocket money and my wife can generate income from home, which means that she can also look after our children while doing her work."

"My family life is much better now. Even though my wife and I are busy working during daytime, at night the whole family eat together. We often spend our time talking to our children and help our children with their homework. Sometime during week-ends I go fishing with my two sons. My children education is improving and I can spend some money for short vacation with them."

## 5. CONCLUSION

Quality of life is a complex and multifaceted concept. It involves both quantitative and qualitative measures. Therefore, it is not an easy task to formulate the indicators to suit the overall livelihoods of a particular population. In general, each country formulates its own quality of life indicators. The indicators are formulated at macro level which defer from the individual quality of life indicators. The indicators are also defer from between classes in a country. The low income households surely has different indicators of quality of life than the rich.

The quality of life indicators in this study are generated from semi-structured interviews conducted to a group of respondents of low income households. From the fieldwork, a total of twelve indicators are retrieved and each household has its own set of quality of life indicators. Four indicators; fulfill basic needs, happy family, financial security or fix income and a good amount of savings been suggested by all the respondents and all of the households have achieved them.

The overall findings discover that the main factor contributes to increase in standard of living and well-being of the low income households is increase in the households incomes. The overall changes has led to improve in their quality of life. Even though all the households do not achieve all the indicators that they have selected but all of them agree that their quality of life have improved.

Improved in incomes amongst them would increase their standard of living, their social well-being and these lead to improve in their overall quality of life. However, due to the complexity of quality of life measurement, it is difficult to determine its achievement among the household's members.

## 6. ACKNOWLEDGMENTS

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