

I THE QUALITY OF LIFE

Over two billion people—slightly more than one in three inhabitants of the planet—live in rural Asia, more than double the population of Latin America and Africa combined. Helping such a huge and growing population to achieve fulfilling lives is a daunting challenge. It must be confronted forcefully, with great imagination, and with a determination that new initiatives are implemented thoroughly and effectively.

People need many things to live fulfilling lives. Sustenance and security; freedom and community; wealth and health; self-actualization and self-esteem: all these contribute to the quality of human life (see for example Maslow, 1968, for the classic statement of a 'hierarchy of needs'). By focusing on quality of life (QOL), the intention is to take a broad and holistic view of rural Asia's development, with the conviction that a QOL perspective will help Asia's leaders develop policies that reflect the aspirations of their people and lead to powerful synergies between the social, human, and economic spheres.

Income is a powerful indicator of the QOL that people enjoy and has become the dominant measure of human well-being. Income poverty is widely associated with misery in the public imagination, and researchers have shown strong links between subjective well-being and income levels (Easterlin, 1973; Ahuvia and Friedman, 1998). Across the rural segment of the developing world, an income focus is associated with a concentration on improving agricultural productivity, with the expectation that rising agricultural output will promote higher rural incomes, automatically leading to improvements in QOL. This perspective is supported by considerable evidence showing links running from agriculture through income to a broad range of QOL indicators.

Recent thinking and related evidence, however, suggest that there is more to QOL than income alone. Health, education, political freedom, participation in civil society, and the status of women are all important components of QOL. These factors are bound to each other, and to income, in a complex network of two-way relationships. Educated people tend to be healthier, for example. But poor health keeps children out of school and slows their learning. Healthier people are better able to work and thus become wealthier, while rich people have more money to spend on health. The positive feedback between education and income is also well recognized. Yet the link between income growth and life improvements may often be rather tenuous. Easterly (1999) uses panel data over a 30-year period to show that for many of the aspects of life quality of interest here, there may be little relationship to growth, or the payoffs to QOL from growth may be quite far in the future. This suggests that policymakers concerned with QOL would be wise to focus on other strategies in addition to promoting growth.

Income, meanwhile, is not a wholly reliable measure of QOL. It is usually measured in averages and does not take into account the distribution of wealth within groups. Nor do income measures value amenities that are not priced in the market, such as environmental quality, physical security, freedom, or unpaid work (mostly undertaken by women). A focus on income has also led many policymakers to believe that technological change and rising capital stocks are the most natural and effective drivers of income. This has depressed investment in human and social capital, which can provide equally powerful ways of helping a society enjoy economic growth and improved living standards. Amartya Sen has pointed out that, in some countries, QOL seems to be significantly higher than income levels would suggest, citing Kerala in India and Sri Lanka as examples where higher than expected levels of general health and education are found despite low incomes (Sen, 1988).

The Quality of Life in Rural Asia explores the nature of QOL and discusses some difficulties in defining the term. It provides a detailed survey of current levels of QOL enjoyed

by rural Asians, compared both to those living in towns and cities in Asia and to those living in other rural parts of the developing world. It outlines a number of policy options for improving QOL in rural Asia and describes some of the key challenges the future is likely to bring. We are entering a faster, more integrated global economy, with technology driving a complex and extensive set of economic, political, and social challenges. The effects of these developments are far-reaching and are already being felt in even the most remote parts of Asia. As the world changes quickly, there is a need to make sure the two billion rural Asians benefit and do not fall further behind.

FOCUS OF THE STUDY

This study has three central objectives: (a) to take stock of trends and patterns in QOL in rural Asia; (b) to identify and analyze options for private and public policies and programs to improve QOL in rural Asia; and (c) to assess future prospects for QOL in rural Asia in light of major influences such as globalization, privatization, democratization, decentralization, and technological change.

The study helps expand the focus of the Asian Development Bank's inquiries into the living standards of Asia's rural peoples. It benefits from recent advances in development thinking that have concentrated renewed attention on the importance of a broad understanding of what development means to people and why it is important. Asia has experienced many successes over the last 20 years and considerably fewer reversals. Agricultural productivity has grown rapidly, with fewer people growing more food, while governments have made huge investments in rural infrastructure. However, although we know a great deal about agriculture's contribution to Asia's emergence, we know much less about the behavioral and institutional factors that promote or impede the distribution of agriculture's benefits to rural Asia. Also unclear are the factors

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that promote much-needed diversification of rural economies, the nature and strength of possible reverse links between QOL and the agricultural sector, and how globalization and improvements in urban areas may have filtered back to affect QOL in rural Asia.

STRUCTURE

This book is structured in the following manner. Chapter II explores the origins and history of the concept of QOL in an attempt to provide a more rounded view of individual needs and aspirations than that provided by income alone. It outlines some quantitative and qualitative approaches to measuring QOL, showing that QOL outcomes, opportunities, and agency can be measured and analyzed. The study of QOL is seen as promoting fertile exchanges between different disciplines, and between the perspectives of researchers and those being researched. Ultimately, methods of measuring QOL must depend on the use that any set of indicators will be put to, combined with the type of data that it is cost-effective to regularly collect and analyze.

Chapter II includes a new framework for understanding QOL in rural Asia. While QOL has many direct effects on development, the indirect effects, both positive and negative, that run between different QOL factors are highlighted here. These can lead to powerful virtuous or vicious spirals, with positive or negative feedback driving rapid developmental changes. If policymakers understand these complex systems, it is argued, they have an opportunity to develop a balanced portfolio of policies designed to instigate new virtuous spirals, build momentum within existing spirals, and prevent negative spirals from picking up speed.

The QOL framework is developed to focus on QOL within a rural context. It examines the difference between rural and urban labor markets and the rich relationship between rural and urban areas, with labor and remittances

the most obvious flows between towns and country. Rural areas are found to have growing links with the global economy, although the level of integration is much less than that experienced by urban markets. Rural areas currently enjoy a risk–return trade-off. When times are good they experience less benefit from the global economy, but they are also somewhat buffered from the effects of global economic crashes, as shown by a case study of the Asian financial and economic crisis.

Chapter III takes stock of trends and patterns in QOL in rural Asia. Both direct and indirect measures of QOL are used and, where possible, data for different points in time in order to assess whether rural living standards have improved or deteriorated in recent years. Indicators for nutrition; health; education; income; gender equality; fertility; political, civil, and economic freedom; environmental quality; access to infrastructure; and access to information are all used, as well as a series of indexes of the general state of social and human development. Because rural Asia encompasses enormous ecological, demographic, social, and economic diversity, frequent comparisons are made among Asia's different countries and subregions (East Asia, Southeast Asia, South Asia, and Central Asia). We include a number of approaches to defining rural areas, including a new approach that uses data from a geographic information system to provide a uniform measure of population density.

Qualitative data are included to provide a context for the quantitative analysis. These data are derived from a select number of focus groups, run in three countries and designed to allow the voices of rural Asians to be heard. The qualitative data highlight the importance of improved infrastructure to people's lives and the strong demand for education. The results also reveal an awareness of the trade-offs that must sometimes be made between opportunity and security, as well as concern about the fate of traditional social structures in the modern world.

The following two chapters consider the policy environment and the ways that policy interventions can

influence QOL. Chapter IV examines the role of institutions, a term that includes formal organizations such as bureaucracies, as well as the formal and informal rules that mediate the options open to organizations, communities, families, and individuals. Institutions are seen to have a critical influence on levels of QOL, as well as on the design and implementation of policies aimed to raise the standards of QOL that people enjoy. However, this is not a one-way relationship. Institutions are in constant flux, although change is often slow. QOL policies can be designed to try to promote 'virtuous institutions', which are relevant to contemporary society and able to meet people's needs in a timely and efficient fashion.

Chapter IV focuses on three different institutions: civil society, gender, and human rights. Studies of QOL usually adopt an individual perspective and concentrate on health, education, nutrition, etc. The present examination of civil society provides a corrective to this, emphasizing the importance of social capital to development. Explored are the nature of trust in rural societies and the importance of strong networks of association in the space between family and State. The importance of civil society is underlined by a case study of flooding in Bangladesh. This reveals that the most recent floods in Bangladesh, although of immense ferocity, had less dramatic human consequences than earlier disasters. Part of this improvement appears to be due to the strengthening of state institutions and their greater accountability to the people affected by flooding. However, nongovernment organizations (NGOs) emerged as crucial actors in the aftermath of the flood, by delivering relief, focusing government and donor efforts, and helping to kick-start reconstruction. Improved social organization, it appears, was a literal life saver for thousands of people.

Chapter IV also discusses the importance of agency and various types of freedom to human rights. An exploration of the institution of human rights highlights the importance of applying widely accepted standards of minimum levels of human welfare to QOL in rural areas. Attitudes to human rights also reveal the importance of successful implementation.

Most Asian countries have made attempts to eradicate debt bondage from their countries, for example, but debt bondage still has a strong hold in many countries, especially in rural areas. Ways in which groups can be enabled to assert themselves more effectively, and how strengthened civil society can underpin a fuller and more permanent expression of human rights are discussed here.

Finally, the discussion of gender highlights the importance of the formal and informal rules that govern how we think about men and women, the roles they play within society, and their prospects for the future. Gender is found to have a strong influence on rural society, where what may be loosely described as 'traditional' attitudes are relatively more dominant than in Asian towns and cities. Women are critical to development success and, in many ways, have more influence on QOL than men. The influence of gender on health, education, and work is explored, as well as women's role in creating social capital through their 'kinwork' that helps build and maintain a rich network of relations between family units and their communities.

Chapter V analyzes options for private and public policies and programs to improve QOL in rural Asia. The inquiry covers five principal areas of policy intervention: income generation; rural infrastructure; household energy sources; social service provision; and the development of rural financial institutions. Within each area, arguments and evidence related to the impact of specific policies on rural QOL are reviewed. An attempt is made to draw conceptual distinctions between the direct effect of policies on their target QOL indicators and any indirect effects on QOL that may result through the interaction of different components of QOL. The goal is not merely to catalog interventions according to their degree of success in improving rural QOL, but to uncover those principles of success and failure that are broadly applicable and transferable to other settings, as distinct from those that are specific to a particular context.

Chapter VI assesses future prospects for QOL in rural Asia. The demographic challenges of the next 50 years are explored in detail, with discussion of factors inhibiting the completion

of the demographic transition (from high fertility and mortality to low fertility and mortality) in rural areas. Asia's population is rapidly aging. How rural Asia will cope with growing numbers of old people is explored. Also, the likely impact of continuing demographic change on gender equity is discussed.

HIV/AIDS is seen as a major, and growing, threat to rural QOL, and also as an example of how a health crisis can quickly depreciate many years' investment in human and social capital. The nature of the Asian epidemic is described and a number of opportunities for action detailed. Finally, this chapter explores the context for future development in rural Asia in the light of major influences such as globalization, privatization, democratization, decentralization, and technological change. These have the potential to reshape the structure and performance of all national economies in Asia—and offer huge potential for visionary policymakers.

RESEARCH STRATEGY

Even though rural Asia has a larger population than any other major region of the world, data pertaining to QOL in rural Asia are remarkably scanty, and certainly no master data set exists on which a coherent and meaningful analysis could be based. Considerable effort has been made to assemble a variety of databases and other sources of information relevant to the goals of this study. The main database for the study consists of a set of indicators of QOL for Asian and nonAsian countries. Many of these indicators are available at different points in time, thereby permitting an examination of trends. Some (although a minority) are available separately for rural areas within Asian countries. The QOL indicators are drawn from a variety of sources, including the World Bank, the United Nations Population Division, the United Nations Development Programme (UNDP), and the World Resources Institute. These sources are also drawn upon for the 'explanatory' variables, and for alternative measures of the rural share of national

populations (for example, the proportion of the population living outside large cities, the proportion of the labor force working in the agricultural sector, and population density).

The second major source of information consists of individual and household surveys. Some of these, such as the Demographic and Health Surveys and the World Bank's Living Standards Measurement Surveys are reasonably comparable across the handful of countries in which they are conducted, but are generally unavailable for more than one point in time. Others, such as India's National Sample survey and labor force surveys in various countries, are available at several points in time, but are generally not available for recent years.

The third main source of data is focus groups conducted in several villages in the People's Republic of China (PRC), India, and Thailand. Although the information gained from these inquiries is no more than suggestive, it was deemed essential to base the study at least partly on direct observation of rural conditions, and not solely on secondary data and literature. Focus groups appeal as a vehicle for allowing rural people to define QOL in their own terms, which may differ from the categories that typically appear in national and household databases. Focus groups also have the advantage of being more up-to-date than existing databases. In addition, if they are well designed and well facilitated, focus groups can reveal valuable information that would not be found even in the most carefully executed household surveys. The interaction of peers promotes honest revelation and brings out themes and associations of concepts and ideas that would be unknowable in advance to researchers.

The conduct of an extensive set of fundamentally new causal analyses is beyond the scope of this study. However, the literature offers many useful analyses that can inform the present study and are drawn upon here. Gaps in the literature and some corresponding research opportunities are identified. Finally, some in-depth case studies are presented of efforts designed to promote QOL in rural Asia, including one focused on the manner in which Bangladesh coped with the severe floods experienced in 1998.

Reliable information and data are today viewed as indispensable tools for policymakers. However, the current policy environment suffers from an extraordinary lack of information about rural areas that is not conducive to good policymaking. Changing this situation should be a priority for national and international organizations. Throughout this study, reliance was placed on the best available data on rural population shares, as collected and reported by various United Nations statistical agencies. The present results are not qualitatively sensitive to the use of alternative measures of rural population share, which are defined in a relatively uniform manner across countries. However, this approach is only an imperfect substitute for collecting better data, as these alternative measures also have their limitations.

This is clearly an area in which much scope remains for imagination and effort. Unfortunately, the task will be anything but routine given the well-known difficulties and expense of data collection in rural areas. We suggest the formation of a multisectoral and multidisciplinary regional or international task force, charged with making recommendations concerning the efficient collection of internationally consistent and high-quality data relevant to academic and policy research on rural development and QOL. There are potentially numerous country-specific measures differentiated by urban and rural areas that would be of use in ongoing assessments of rural QOL, such as the purchasing power of cash in rural and urban areas, or measures of social capital. But a properly convened task force would determine many more.

Perhaps the best starting point for the task force would involve seeking to establish common definitions of rural and urban areas, much like the International Labour Organisation has done in providing widely accepted operational definitions for such basic concepts as labor force participation, employment, and unemployment. The size of rural populations is extremely sensitive, for example, to whether the threshold at which a population is classified as urban is several hundred people or several thousand. In the absence of an internationally uniform classification system, such taxonomic differences can wreak

havoc with research studies in which rural and urban status plays a prominent role. The problems can only be expected to multiply as the sharp urban-rural distinction continues to fade.

Rural life in Asia is changing rapidly. As noted, the growth of rural infrastructure and services, of migration, and of nonfarm employment, along with ever-expanding urban centers, means that the lives of many rural Asians are less tied to the land and more intertwined with urban life. In many cases, this brings tremendous advantages to rural areas in terms of increased opportunities for work and trade, flow of goods, conveniences, and other appurtenances of modern life. Yet these changes also have their drawbacks: increased pollution; breakdown of traditional values and social support systems; and in some cases, increased economic insecurity because of the higher risks incurred by diversifying out of traditional food crops.

Related to this greater complexity, diversity, and integration of rural and urban life is a vision of what constitutes rural development and how to achieve it. The focus throughout this work is on the centrality of QOL as the goal of rural development. In light of the determinants of economic growth and QOL presented here, it is no longer sufficient to view improved agricultural productivity and income growth as being the dominant pathway to improved QOL. These fail to recognize the myriad of nonincome factors that influence QOL, and also neglect the stimulus to economic growth provided by QOL improvements.

The very complexity of rural life today is what puts the deficiencies of the old model into such stark relief. It is the authors' hope that the information and framework presented in this book will encourage members of policy communities to look at their own roles and options in light of a new model that shows the tremendous interconnections among policy areas. We also hope that the lessons from this book will encourage activists and citizens who are seeking to ensure a higher quality of rural life, not only through their own deeds and participation, but also through pressure on elected and appointed officials. Working together, these groups can turn the prospects for rural Asia into a bright future.