

Influence of Economic, Structural and Cultural Factors on Poverty Circle in Makassar City, Indonesia: Studies on Pickers

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Abstract—Circle of poverty has shackled poor picking community in Makassar and is the root of their helplessness in improving their standard of living. This helpless condition has raised concern among many to address, such as non-governmental organizations, students, and scientists in a variety of disciplines. Addressing the problem is so important since poverty causing suffering, ignorance, poor health, hunger, and criminal conducts.

Our study examined economic, structural, and cultural factors causing picking community in Makassar trapped in a circle of poverty and the meaning of poverty and the circle of poverty that they are facing. Our study utilized qualitative type of grounded theory by taking seven informants from pickers who have been working for at least 10 years as the key informant group and three informants from community leader in Makassar who have knowledge about the pickers as the supporter informant group.

Data were collected through in-depth interviews, observations, and documentation. The results showed that the picking community in Makassar is being trapped in a circle of poverty because of the influence of economic, structural and cultural factors.

Index Terms— Pickers, poverty, poverty circle, Makassar

I. INTRODUCTION

POVERTY circle that shackles poor community as the root of all their helplessness has raised attention of public worldwide [1]. Poverty is one of the central issues in the Millennium Development Goals (MDGs). Poverty is also the root cause of loss of human dignity and justice, no creation of civil society, ineffectiveness of democracy, environmental degradation. Bellido *et al.* [2] in their research on poverty in Spain found that the multidimensional poverty included economic, structural and cultural poverty. Poverty is a proof that the development has not been done properly. This condition is caused by income inequality, unemployment, and government policies that do not favor the poor community [3].

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In the case of the city of Makassar in Indonesia, the amount of funds spent by the local government on average is IDR 42 billion per year [4], yet the number of pickers in the city is increasing. The figure in 2008 was estimated 4813 people, in 2009 the number increased to 5,984 people, in 2010 they were as many as 7,719 people, and in 2011 it was 9,326 people on the list. Poverty reduction programs in Makassar were still oriented on the economic side than the cultural and structural aspects. Whereas, if poverty is reduced only in terms of the economy, it will not solve poverty phenomenon in real and meaningful manner.

Poor urban communities such as the pickers have a very minimal venture capital and poor skills, so they cannot access labor markets and business opportunities and suffer from low bargaining power that results in further impoverishment [5-10].

Research of Lestari [11] on the picker profiles in the village of Sukorejo, District of Gunung Pati, city of Semarang found that the livelihoods of waste pickers were not productive with low productivity and capital and generally have no education or the maximal of only primary school graduates. As a result, their income was low that making them unable to meet their basic needs adequately. Such impropriety was reflected in their diets that were only two meals a day without side dishes and often without vegetables on the menu, leading to malnutrition.

They cannot access the capital or credit because they cannot meet the requirements, such as land certificates, dwellings, and other valuables as loan guarantee [12]. As a result they are in low income, where low income results in low savings, low savings lead to low investment, so that capital and productivity is also low. This condition will continue to spin round if no immediate action is taken to break the chain of the circle of poverty.

In addition, Lewis said that the condition was caused by the process of poverty culture transfer from the older generation to the younger. As a result, there was a circle of poverty in their lives that was articulated in low productivity as it was started with the absence or lack of capital. Later, these conditions resulted in low income, savings, and investment that in turn the return income was ultimately low. These cycling conditions continued from generation to generation.

From the structural aspect, it appears that poor

communities have limited or no access to education, health, water, capital and other life supporting facilities [13, 14]. These factors are obstacles in the development of life and are seen clearly at their low productivity and income.

Basically, the pickers are considered as hard workers who have aspirations and motivation to meet the demands of life [15]. It is in contrary with one of Lewis's thesis that poor communities are culturally lazy. In contrast to the attitudes and behaviors of beggars who tend to be lazy even though they still are in the productive age and physically strong.

II. LITERATURE REVIEW

A. Economic, Structural, and Cultural Poverities

Based on the cause, poverty comprises of economic, structural, and cultural poverities [16-18]. The concept of poverty can be described as follows:

Economic Poverty

Economic poverty can be defined as a low standard of living, e.g. one's low ownership of properties compared with the prevailing standard of living in the community concerned, or one's income lays below the poverty line [10, 19, 20]. Economic poverty can also be interpreted as a lack of capital resources which can be used to improve the welfare of a group of people because there is no access to these resources [12].

In this regard, poverty refers to those individuals at the bottom of the income distribution who don't have enough income to satisfy basic needs. The definition of basic needs is conditional, however, on societal perceptions absolute and relative deprivation [9].

Based on the approach, economic poverty includes: 1) absolute poverty, which can be measured by certain standards, e.g. poverty line is income of USD 1/day/person, and 2) relative poverty that are conditional, since merely comparing one's income to the income of people in the neighborhood of the person [16].

Sharp *et al.* [21] and Yasa [10] identified in detail the causes of poverty from an economic standpoint, namely: firstly, in micro poverty arises due to inequality of resource ownership patterns that result in an unequal distribution of income. The poor only have a limited amount of resources with poor quality. Secondly, poverty arises from differences in the quality of human resources. Low quality of human resources means low productivity, which in turn gives lower wages or income.

Structural

Structural poverty is poverty caused by man-made factors, such as unfair policies, corruption, collusion, and economic order that favor only certain parties [22]. This argument or view is in line with the opinion Kartasasmita [17] who stated that poverty is caused by a particular policy. Or in other words, structural poverty is poverty caused by the inability of the system and social structure in providing employment

opportunities and equal economic resources, such as access to capital or credit from financial institutions.

Cultural Poverty

Cultural poverty is poverty caused by the negative cultures of the community, such as lazy, undisciplined, wasteful and careless [23]. Furthermore, urban poor communities commonly do not want to get together with the wider community, tend to succumb to fate, and have no planning (in terms of life vision and mission). They are also lazy, lack of work ethic, apathy, and helpless. In addition, their level of education and health is low and they do not have the ability to improve the conditions of life in the future. The living conditions and their presence were completely in contrast to the non poor urban communities, such as the dirty physical appearance, living in slums, suspicious or fearful to others entering their neighborhood.

The overall above descriptions indicate that poverty is multidimensional that consists of the economic, structural, and cultural dimensions [24-31].

B. Measurement of Poverty

Measurements of poverty in Indonesia use several methods or approaches [32], namely:

- a. Rice equivalent method measures poverty based on the amount of money spent by a household that is equated with the amount of kg of rice/person/year in urban areas. Based on this the poverty line is defined as rice equivalent. A family is said to be poor if the monthly family expenditure is less than 480 kg of rice. A family is said to be very poor if the monthly family expenditure is less than 380 kg of rice. And a family is said to be the poorest if the expenditure is less than 270 kg of rice.
- b. The World Bank [33] measures poverty based on the poverty line approach, i.e. if one's income is less than USD 1/day, then he is considered poor.

Those measurements of poverty are no longer adequate to be done in a relatively long period of time, for considering and weighing that the poor communities are continuously acting and reacting to situation they are facing. Besides, attributes of poverty are dynamically moving and to be apprehended within context, and is used to challenge the social situations in order to survive.

C. Circle of Poverty

Circle of poverty consists of a circular series of powers (capital, productivity, income, savings, and investments) that act and react with one another in a way that puts a poor country, society, community, and individual remain in a state of poverty. A logic thinking expressed by Nurkse was that a country, society, community, and family are poor because they are poor.

The circle of poverty from the point of demand can be explained as follows: low level of real income leads to a low level of demand, so that in turn the level of savings and investment are also low. Low level of investment would lead

to a lack of capital and low productivity. Low productivity will result in lower revenue. This condition continues to encircle, so that a person or group of people remains living in poor conditions.

Furthermore, the circle of poverty from the point of supply can be explained as follows: low productivity reflects in low real income. Low real income results in low savings. Low savings level leads to lower level of investment and reduced capital. Shortage of capital in turn will lead to low productivity. And all of these factors result in a family being entrapped in a circle of poverty.

D. Picker

Pickers are people who earn income by scavenging and collecting used recyclable materials (metal, plastic, paper, bottles, and cardboard) then sell them to a dealer. It shows that pickers are economic and cultural actors. This definition of culture refers to the notion put forward by Sir Edward Burnett Taylor that the whole aspect of culture is complex that includes knowledge, belief, art, law, morals, customs activities, and other human skills acquired as a member of society.

III. RESEARCH METHODOLOGY

A. Grounded Theory Approach

Grounded theory approach is a qualitative research method that uses a systematic procedure for developing grounded theory inductively arranged about a phenomenon. This approach is performed on natural conditions, trying to understand the meaning of individual research subject, and researchers to act as a key instrument.

This approach was used as the purpose of this study was to find or develop a theory based on the data obtained [34].

B. Data Analysis Techniques

Based on the research problem and a grounded theory approach, comparative data analysis technique was used based on a constant comparative analysis with a descriptive strategy. This technique was employed as our study aimed to compare the findings of economic, structural, and cultural poverties in the pickers with the three dimensions theory of poverty that has been generally accepted. This technique was used to compare events when we were analyzing the data and was conducted on an ongoing basis during the study [35].

C. Scopes and Limitations of Study

The scopes of our study were on the economic, structural, and cultural factors influencing the poverty circle in picking community in Makassar. Yet, we had limitations in carrying out our study, namely 1) knowledge of business diversification, the structure and mechanism of actions of the government, the establishment of institutions to fight for their lives and inferior or fear culture, were not studied, and 2) subject only the picking community in Makassar, so the results

of this study could not be generalized to the picking community in other cities, for different characteristics.

IV. RESEARCH FINDINGS

A. Economic, Structural, and Cultural Factors

Based on our findings associated to economic factors and comparing with available theories and research results in different places and varieties of poverty, it was found that the picker community in Makassar was currently entrapped in the circle of poverty which was indicated as the followings:

First, they do not have adequate capital required in the development of their business. The capital being referred in this term was a cleaning tool used to clean containers to increase the selling price as they are already cleaned and recycling ready. In addition, a capital in a form of money to meet daily household needs. If the savings is sufficient for a week spending, then they can stock the picked goods to sell in bigger volume that give higher price than selling in smaller batches, the normal pickers practices.

Second, their income was as low as IDR 38,000/day/household, obtained by four household members, so the income was only IDR 9.500/day/person. With current exchange rate such income is about than USD 1/day/person. Therefore, according to the World Bank definition the family fell into the category of below poverty line. This income was used for daily living needs of the family as follows: 1) rice at IDR 7,500/kg \times 1.5 kg/day = IDR 11,250; 2) vegetables at IDR 4,000/day; 3) 1 pack of cigarette at IDR 5,000 for two day consumption, equivalent to IDR 2,500/day; 4) electricity and water bill at IDR 2,500/day or IDR 75,000/month; 5) pay debt to collectors IDR 8,000/day; and 6) other needs as laundry detergent, bath soap, toothpaste etc. for IDR 4,000/day or IDR 120,000/month. The total daily expenditure of one picker's family in average was IDR 33,250.

Third, the impacts of low income were: 1) improper diet as they only had two meals per day, mostly without dishes on the menu; 2) small dwellings constructed from cheap used materials; 3) inability to access life-support infrastructure such as electricity, clean water, sanitation, education, and hospital; and 4) no savings that resulted in no investment and low return capital.

The structural factors that affect the poverty circle of pickers are: 1) discriminative government policies causing them unable to access the capital, education, hospital. Most family leaders were primary school graduates, so in the aspect of human resource quality, the pickers are of low quality. That is why they were unable to work in the formal sector for the requirements they cannot meet; 2) government policies that do not favor them, for instance, no access to financial institutions because they cannot fulfill the administration requirements, and 3) the absence of institutions that accommodate the pickers as social capital; or the unavailability of community association which acts as the entry point for them to get government financial aid.

The cultural factors that affect the circle of poverty are:

1) submission, that was articulated by their ignorance to the job risks as pickers since they are dealing with garbage that may be contaminated by or contain chemicals each day; 2) apathy, that is reflected in their behavior that they do not attend useful meetings, such as the information of urban development programs, integrated security program, and a scholarship program to help poor students; 3) consumptive, that can be seen in marriage procession where they spend at least IDR 20 million for the ceremony, that was borrowed from collectors, cooperatives and richer families; 4) reluctance to mix with general public due to inferiority, less educated, poverty, and uncomfortable. In fact, the public wants them socialized.

For example, they do not participate when there are community programs on cleaning up the neighborhood. This indicates that they are unwilling to establish a communication for social network and trust as a way to get help from government or the public as a group. It is also a sign that they do not have mission or vision and encouragement to develop. Social networking is a way to get more contacts that will build trust for them to access government programs.

B. The Meaning of Poverty and the Circle of Poverty for Pickers

Picking community in Makassar assumes that the poverty they are facing now as something that has been around since then until now and it is a destiny that must be accepted without questions. While the meaning of the circle of poverty is the existence chain of several factors that rotates and interplays with one another that resulting in poverty.

C. Discussion

The study findings in the city of Makassar picking community showed multidimensional poverty. The poverty is caused by several factors, namely economic, structural and cultural factors. These factors affected them entrapped in a circle of poverty today.

Based on economic factors, there is a viable business opportunity developed in the landfill such as composting or organic fertilizer production since: 1) the raw materials are freely available in abundance, 2) the production processes could be done on site, 3) organic fertilizer is in high demand from the agricultural industry and the farmers, and 4) as food for freshwater fish culture. This indicates that the pickers can diversify their jobs to increase revenue.

The urgency of the structural factor is the existence of cooperative institution. These institutions serve as social capital and the entry point to get help in the form of venture capital from the government or other institutions. In addition, such institution is expected to fight for the life of the community, such as empowering them in the areas of venture capital, education or knowledge of the neighbors how to produce organic fertilizer, health, and the right of other life. Yet, such

institution was not established.

Derivation of these factors should be able to change the view of the community for positive cultures, such as minding vision and mission in life, so the negative cultures such as resignation, apathy, wasteful, and not integrated with the wider community can immediately be eradicated.

V. CONCLUSION

Pickers in Makassar were trapped in a circle of poverty today because of economic factors that was indicated by their real income of only DR 9,500/day/person which was not sufficient to meet the daily needs (below poverty line). Their dwellings were made up of cheap used materials. In diet, they only had two meals per day, even without dishes that made them under-nutrition. All of them were caused by the lack or absence of economic capital that resulting in low income.

Structural factors also led the picking community in Makassar being trapped in a circle of poverty that was shown by their inability to access facilities that can improve their life quality such as education, health, electricity, clean water, and sanitation.

Similarly, influence of cultural factors was shown on their consumptive behavior. It can be seen in traditional marriage procession by spending a lot of money and relatively large dowry. The money was borrowed from others and left them with debt to be paid after the wedding. Pickers do not mingle with the general public so that their attitudes and behavior are different from the middle and upper class community that always want to improve their life quality ethically.

The picking communities need financial aid in the form of cleaning tools to expand their business. So far, they sell their non recycle ready goods with very low price. It also requires professional assistants from Makassar Social Services to oversee the use of such capitals and providing information about positive culture, so they can leave the circle of poverty as soon as possible.

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