Poverty’s Characteristics and its Reduction Strategies: A Case Study

T. Tahir¹, M. Hasan²

Abstract:

This research aims to explore the characteristics of poverty and its eradication strategies. The study employed a qualitative approach by interviewing 100 respondents who are categorized as poor in the city of Makassar.

As the typology of poverty is categorized into two main groups, it was found that the most dominant typology of poverty in Makassar is the typology of cultural poverty reaching 42.3% greater than the natural rate of 27.4% and typology of structural poverty reaching 31.3%.

In addition, it was discovered that cultural poverty is predominantly based on indicators that Makassar communities still have strong faith in destiny and have many family members.

It is argued that the government policy in issuing the regulation is also considered to be one of the causes of structural poverty such as discrimination practices toward the poor, rampant evictions of street merchants, and lack of employment availability.

Keywords: Typology of poverty, poverty reduction strategies, developing country.


¹Universitas Negeri Makassar, e-mail: thmrin@unm.ac.id
²Universitas Negeri Makassar, e-mail: m.hasan@unm.ac.id
1. Introduction

Poverty is a social phenomenon that occurs around the world, both in developing and developed countries. Basically, this phenomenon has become a humanity issue, and global movement as declared during the World Summit for Social Development in Copenhagen (Mori, 2009). To tackle this social phenomenon, an immediate action is urged and become a priority in the World Summit agenda.

Constitutionally, the issue in question has been become a major concern of Indonesia since the drafting of the 1945 national constitution. This is reinforced by Nasikun (1995), who argues that poverty is a multiphase, multidimensional and integrated phenomenon. Living in poverty is not only to live in conditions of shortage of food, clothing, and shelter. It also means a low of access to obtain a wide range of indispensable resources and products in order to fulfil the most basic needs of life such as: information, knowledge, technology and capital. Since the issue on poverty phenomenon has not finished, it continues to be an interesting theme to study and explore. Therefore, new approach should be developed to address poverty that is a global problem (Bourguignon, 2003; Adams, 2004; Ferreira et al., 2010; Fosu, 2010).

In the World Summit for Social Development (Mori, 2009), it is understood that poverty has a plural form, including the low income and productive resources that ensure sustainable life, hunger and malnutrition, poor health, limitations and lack of access to education and other basic services, unnatural conditions and deaths from diseases continue to increase, vagrancy and inadequate shelter, unsafe environment, as well as discrimination and social alienation. Poverty is also characterized by low level of participation in decision-making in civil, social and cultural life.

Meanwhile, according to the Office of the High Commissioner for Human Rights (The United Nations, 2002) poverty occurs as a result of the breach of the human rights, because it is impossible to overcome poverty without the realization of one’s rights. According to the Asian Development Bank (2006) the problem of poverty is considered as deprivation of important assets and opportunities that people are basically entitled to. In this new approach, it is recognized the structural barriers prevent the realization of rights of the poor.

Poverty in Indonesia should be viewed as a part of the current global poverty. There are about one billion people categorized as extreme poor. If we add the poor (i.e., 1.5 billion), it means that there are 2.5 billion or 40% of the earth's population that are poor. These people live below the standard way of living, which is also threatened by death every day (World Bank, 2009a, b, c, d, e, f, g). The same goes with the conditions in several regions in Indonesia, such as Makassar. Makassar is best known for its geographically strategic position within the nation.
However, the problems of the poor in Makassar city are likely to increase. Moreover, administration/data collection on the number of poor in urban village level still needs improvement, resource capacity and skills of poor people is very limited, low health/nutrition of poor families, very limited ability of poor families to send their children to school, the participation of the public/private sector in poverty reduction has not been adequate, the arrangement of neighbourhoods, especially where the poor areas which do not meet the adequate housing environmental standards (Haeruddin and Natsir, 2016). In addition, the infrastructure also has not been adequate (public facilities). This, coupled with the lacks of integration/coordination between the relevant parties in poverty reduction (government, universities, NGOs, private organizations) would make the rehabilitation efforts are not optimal.

Various theories, analyses, and perspectives have been offered in order to enhance our understanding on how to find the best ways to address the problem of poverty. Poverty is a common enemy, therefore it must be eliminated because firstly, the human nature as reasonable and virtuous beings instils in every human being an ability to transcend. Reason and favor becomes a guarantor for humans to improve the quality and standard of living and a 'treasure' which is basically capable of freeing human from the various crises of life, including poverty. The nature of reason and favor never want people to live in poverty, but the opposite. Second, from the core of the poverty, we face various wrenching humanitarian issues. We would often watch the misfortunes of the poor, or maybe we have been trapped in poverty. Therefore, it is fair to argue that poverty is a global problem because people across the world feel its terrible effects (Manda, 2013; Zaman, 2013; Thorbecke, 2013; Ribeiro et al., 2015).

Among the global audience, the image of 'Indonesia as a poor country' is indisputable. The quantitative data that can be read from the Central Bureau of Statistics (BPS), and government reports as well as international institutions such as the World Bank (2009a, 2009b, 2009f, 2009g) reinforce the poverty image. Many residents living in poor areas decline to be called as poor simply because of the fact they are still able to eat and drink. They are not dying because of the starvation. They still have neighbours, relatives, within the community; give hope and incidental aids, but what happened in Makassar is slightly different, for example the case of Daeng Rani (a scavenger on Pabaeng-Baeng traditional market) who died by hunger and malnutrition. In general, the number of poor people in Makassar city in 2006 was counted to 7.5% of the total population. Subsequently in 2007, the number of poor people reached 5.86%, in 2008 and 2009 were 5.6% and 5.4% then became 5.8% in 2010 (BPS, 2010). Based on this phenomenon, this study aims to determine and analyze the typology of poverty that exists in Makassar based on community’s perception.
The typology of poverty approach allows researchers to identify the unique characteristics of various poverty problems and strategies for dealing with them (Speak, 2004). Thus, the typology of poverty can produce important insights including the unique characteristics and traits of those who experience poverty, and assist professionals and policymakers in developing effective anti-poverty strategies (Haeruddin, 2017; Knight, 1999; Kuhn and Culhane, 1998; Pritchard and Bagley, 2000; Tipple and Speak, 2005; Wood, 2007).

2. Literature review


There are three factors that cause poverty. The first factor is the individual factor. Individual factors causing poverty are individual attitudes, human capital, and participation in welfare (Gans, 1995). Individual hard work and individual responsibility for basic needs including food, shelter and health care are individual factors that can determine the occurrence of poverty (Merton, 1957; Blank, 1997; Schwartz, 2000; Calhoun et al., 2002; Rank, 2001; Hurst, 2004; James, 2006).

The second factor is cultural and environmental factors. Cultural and environmental factors are linked to the influence of a living environment that tends to shape poverty or success (Mandell and Schram, 2003). Culture and environment significantly influence social policy in efforts to alleviate poverty (Rankin and Quane, 2000). However, Laderchi et al. (2003) Rank (2004), Mandell and Schram (2003) oppose it because it considers that the poor are responsible for their own fate rather than the poverty-related social policy. Darling (2002) and Rank (2004) suggest that human capital can have a profound effect on a person's risk of poverty or success. The literature shows that a qualified human resource significantly affects a person's income, and consequently a qualified human resource can put a person at risk of poverty.

The third factor is the structural factor. Beeghley (2000) sees that the economic structure causes poverty. Figart and Power (2002), and Blau and Kahn (2000) suggest that structural factors are related to the labor market that can cause poverty.
One important consideration in the labor market is the influence of gender and race on the wage of labor. Hurst (2004) finds that variation in individual income and differences was due to social factors such as gender and race. Darling (2002) and Alkire (2007) suggest that differences in human capital impact on income gap. Grusky (2001) states that gaps are the result of deliberate constructs, created and maintained by social institutions and policies.

3. Research Methods

This research was conducted in Makassar city based on the consideration that Makassar was a key area in Indonesia and a densely populated city of 1,675,107 people. From the results of National Socio-Economic Survey (SUSENAS) data collection in 2009, many cases of alarming poverty that should be reviewed in this city were also found. The data used in this paper was the primary data consisted of qualitative and quantitative data.

The population in this study was some of the poor communities spread across four locations (sub districts) in Makassar city. In this study, the sampling was performed using Simple Random Sampling Method, which meant that all population had the same chance to be selected as the sample that subsequently used as respondents. The sample used in this study was the urban poor groups in Makassar who were located in different locations, 100 respondents were in four (4) poverty locations in Makassar city, namely: sub district of Mariso, Tallo, Manggala and Panakukang. All the name of the respondents in this manuscript is anonymized.

The analysis method used in this research was descriptive method to reveal the circumstances or accurate facts of the object being observed, and adapted to the prevailing and recognized theory or proposition. Thus, regarding the typology of poverty in Makassar city, both involving primary and secondary data, the research would be conducted to obtain information.

4. Results and Discussion

4.1 Typology of Poverty in Makassar City

According to the results, there are six (6) indicators were used in order to categorize the typology of poverty, they are relative poverty, absolute poverty, situational poverty, generational/chronic poverty, cultural poverty, and attitudinal poverty (Hayati & Karami, 2005). In regard to this research, the participants in this study were categorized in the cultural poverty. This is because around 65% of the poor in the city still have confidence in destiny and 75% of the participants have a number of family members more than 5 people. To add the data analysis above, there are some facts which are used as supporting category such as: a group of people who must eat parched rice due to the many family members, Nurliah (35 years old) has 8 family members where are forced to eat parched rice as the number of the family
members need to live but groceries owned are limited. It is should be bear in mind that 65% of the poor of Makassar city who have faith in destiny assume that their economic situation is the provision of God that cannot be denied or commonly called as destiny. Consequently, they are resigned to the situation (living in poverty). It causes people lack the motivation to move forward and try harder, and it also keeps the poverty to exist which leads to the tendency of people being trapped in the cycle of poverty.

The poor of Makassar city who have more than 5 members in their family members counted around 75%. Based on the results of research in the field the number of family members they have turns out to be a hindrance to the progress of their economic conditions, given the large number of family members is directly proportional to the high family consumption level or similar to the rising cost of living. Moreover, there is a low income level in a very poor family, plus family members who have not yet reached reproductive age which would ignite a precarious situation that encourages the increasing levels of poverty in Makassar city. Thus, the poverty indicators above are very influential for the increase in poverty in this city, which reach 42.3 % and classified as Typology of Cultural poverty.

The communities must be aware that the high motivation and work enthusiasm must be nurtured to be able to improve their economic condition and dismiss the notion that poverty is an indisputable destiny. Furthermore, the high number of family members should be in line with the increase in family income in order to not experience financial deficit. If all is done, the poor of Makassar city are able to get out of the poverty trap today, and it is expected that a prosperous life can be felt by all of the poor in this city that classified into the typology of cultural poverty.

The second dominant typology of poverty is structural poverty of 31.3%, where 53% of the poor of Makassar city assume that they are still discriminated on the distribution of assets and economic policy command by the local government. These also strengthened in several events for example is the increase in the number of modern market supported by the government which shift the existence of traditional markets. According to Mrs. Halimah (48 years) a respondent who works as a clothing seller in Toddopuli market says that this government policy is very disadvantageous to her and several sellers in the market, since the turnover of their income has decreased dramatically due to the consumers switching to modern market.

The causes of high level of the Typology of structural poverty in this city cannot be separated from several government policies which are considered harmful. According to the research in the field, participants assume that their economic conditions are poor due to the rampant evictions by the city government. Also, there are policies in favor of a particular group of people which tend to be discriminatory, such as: the construction of a modern market, granting permission to the developer
of elite housing construction in the settlement of poor people, not to mention the discrimination in the access to land, business licensing and business land tend not to help the poor. Losing their residence and business land are one of the main causes why the level of community expenditure to increase. In reality, they have to find a new lease at an expensive cost, not to mention the distribution of land that can be managed by the poor has been exhausted to build buildings, apartments and housing. According to some respondents, the government should allow them to access land or place in conducting economic enterprises, to enable them to escape from their poverty, but if the government still discriminatory, the poverty certainly will stay in the community.

In general, the poor city of Makassar city in a typology of structural poverty is a group of poor who become the victim of the uneven economic development activities and government policies which are discriminatory and work in favor to the ruling parties. All is performed by development assumption which will provide new jobs as the shift to the old job of the community and it encourages regional economic growth and increase local budgets. However, all of these are always not directly proportional to the economic conditions of the community who even experience more adversity. Therefore, it is natural that most of the poor of Makassar city assume that they are a group of people who live below the poverty due to the discriminatory and unequal government policies.

The third typology of natural poverty is 27.4%, and there are 31% of the poor with income levels <Rp 30,000 (maximum 10 work days) - and 62% of the poor have an education level of 0 – Junior High. According to a respondent named Daeng Rabiah (40 years old) who works as a vegetable seller, she admitted that from childhood she was not required to attend school until the higher level by her parents as she is woman. Thus she assumes that the cause of her current economic situation is due to the low education level of a woman. The income level is one indicator of typology of poverty as it is the most fundamental thing in viewing poverty. The income level of the poor in Makassar city form the Central Bureau of Statistics standard is people who have the income level of $ 1 per day or equivalent to 10.000, - per day, so in average, the community income level is Rp. 300,000, - per month. The groups of community who have income levels within the range of the Central Bureau of Statistics standard are classified as poor. Income is the determinant of the communities regrading whether they are able to meet their needs or not. When people have low income levels, the fulfillment of prosperity level is also low or in other words, they cannot meet the primary needs of life.

Society considers that the low level of their income due to their type of work, skill and work ethic, not to mention the current lack of jobs that require some people living below the poverty line to work even harder, accept any form of work is a way out to survive. On the other hand, the price level continues to rise with the increase in inflation that occurred in this area, so it is natural when people who have modest jobs will definitely have low income levels as well. The poverty trap due to low
income levels is difficult to avoid by the community as the poor usually lack of skill and have low education level which complement several factors that cause the low income levels. The community shall realize how important it is to have capabilities that can improve their income level so they are able to be free from poverty. When people have high levels of income, the subsistence of life will be easily obtained, thus increase the level of prosperity, the level of consumption and have positive effects on increasing the local budget of Makassar city.

The education level is an indicator of poverty among people who included in Typology of natural poverty. Most poor in Makassar city lack of awareness of the importance of education for their lives. This can be seen from the life pattern of the poor, namely lifestyle of work logic, meaning that since small, they are living in poor communities who consider that education is not a very important need and what they have to prioritize is how they must have an income when entering the productive age. The poor think that education does not earn money but requires money, so people prefer to work rather than school. In addition, the community holds an understanding that women give priority to stay at home rather than to get an education. As a result, the poor in Makassar city choose work or earn money over high education level, assuming they have to work to survive (Haeruddin, 2016).

The poor of Makassar city in the typology of natural poverty are supposed to realize the importance of a person’s education from an early age, so that in the future they are able to get a decent job and the social strata will increase as well. With higher education, the community also can obtain an award or a high income. Mindset, view on life and awareness of the importance of higher education is necessary for the improvement community income in order to escape from poverty then reach the welfare of the community. To summary, poverty has a plural form, including low levels of income and productive resources that ensures the sustainable life, hunger and malnutrition, poor health; limitations and lack of access to education and other basic services, unnatural conditions and deaths from the disease which continue to increase.

4.2 Poverty Reduction in Makassar City

Basically there are two important factors that have always led to the failure of poverty reduction programs. First, the poverty reduction programs tend to focus on the efforts of the distribution of social aid for the poor. Some of them are in the form of rice for the poor and the Social Safety Net (JPS) program. These action will be difficult to resolve the problem of poverty that exist due to the nature of aid that is not empower which may even lead to dependence. The aid programs should be focuses more to grow the culture of a productive economy which is able to liberate permanent dependence of the resident such as: free school fees and free treatment cost in Community Health Center. Second, the lack of understanding of the various parties on the causes of poverty itself cause the development programs that exist are not based on the poverty issues, which causes are varied locally.
Strategies to overcome poverty can no longer be viewed from a single dimension (economic approach), but requires a complete and thorough diagnosis (systemic). According Sachs (2005), he says: "poverty trap" should be addressed first. The poor of the world see the stairs to the development, they are seduced by the image of the prosperity of the world next to the other, but they are not able to put their feet on the steps, and therefore not able to get out of poverty”.

Poverty reduction is one of the priority agenda of the national government. Thus the local government is also supposed to carry out the agenda, including the government of Makassar city. In order to pursue the poverty reduction process in an integrative manner then a Regional Poverty Reduction Strategy (SPKD) is made, where the prepared preparation is through PPA approach. It is pursued to be the spirit in each program at the Local Government Agencies (SKPD). Various challenges in order to achieve this goal, among others are: there is no integral data on poverty and the sectoral ego that sometimes hinder coordination. However, such data collection, for now the Regional Poverty Reduction Coordination Team (TKPKD) are conducting mapping of poverty area in order to facilitate in providing intervention. These programs are very aggressively implemented by the city government which can be seen with the vision and mission Makassar city government who gives a guarantee of free school and health care for the poor. Thus it immediately gains a great appreciation for the poor of Makassar city and it is expected in the future that these programs can be improved and distributed evenly throughout every layer of community in the city.

Some programs are also implemented in order to give good service to the poor such as: free IASMO (Ilham Arief Sirajuddin and Supomo, the Mayor and the Vice Mayor of Makassar City) program is a featured program given to the community of Makassar city. It provides a guarantee in the fulfilment of the rights of poor on the cost of labor, birth certificates, family card, and ID cards; free school fees and medication; free legal assistance cost; and free costs of bringing the corpse and burial. In education, Free IASMO includes free school (fully subsidized schools) and determines that they schools set by Makassar government in the form of elementary and junior high school in the city, which conduct teaching-learning process without charging anything from the students. The students are truly free from any forms of payment, both school fees and all costs of other teaching and learning process, except for the school uniforms. The target of this program is 70% of poor students from elementary, junior high, and senior high school. In addition to free school, free IASMO program also provides free education, namely: free tuition at the level of basic education for all students either poor or rich, thus ensuring the smooth implementation of the learning process in an effort to improve the quality of primary education in elementary and junior high. Department of Education serves as a program control, while the school works to distribute a wide range of needs and operational in the learning process.
To get the free service, the prospective students must complete several requirements, including: certificate, family card, and birth certificate. While the requirements to get a scholarship are: a copy of family card, ID card, and the report cards that have been legalized. Through these policies, positive thing felt is reduction in school funding, yet, it has not necessarily improved the school participation rate significantly as school capacity is very limited compared to the prospective students who want to continue to both elementary and junior high school. In the health sector, Free IASMO program provides free health care program, which includes: (i) basic health services in community health center and its networks; and (ii) an advanced health care in Regional Public Hospital of Daya. Basic health services at the community health center includes: (1) physician's examination, treatment and health consultation; (2) laboratory services; (3) basic medical treatment (general & dental and oral); (4) mother and child health care (KIA) and family planning (KB); (5) birth certificate; (6) doctor's certificate; (7) Special medical services; (8) labor; and (9) inpatient (community health center care). While the advanced health care in Regional Public Hospital of Daya includes: (1) an advanced service of mother and child health care and family planning; (2) certificate service; (3) advanced level of laboratory examination service; and (4) inpatient services class III. To support this program, the Government of Makassar City allocates free health care service at community health center in 2010 by Rp. 18,108 billion (local budget of the city amounted to Rp. 10,865 billion (60%); and the provincial budget of Rp. 6,189 (40%)), of the total health fund of Rp. 37.161 billion. The budget allocation for the Regional Public Hospital of Daya of Rp. 4,829 billion (provincial budget amounted to Rp. 1,975 billion (40%) and the local budget of the city of Rp. 2,854 billion (60%)).

To receive services in the community health center and sub community health center is simply by bringing the control card acquired through the family card requirements. Hospital services is preceded by administrative requirements (although the patient in an emergency). Before, they will be interviewed regarding the types of medical services, such as Community Health Insurance, Health Insurance, General or Regional Health Insurance. After the administration is complete, then they are given intervention by a doctor or the health workers. The main administration requirement is a referral from the community health center, but there is none; it is enough by the proof of residence and will be asked to take care of the letter of referral immediately. With the Free IASMO Program, the residents feel that the health care is getting better because there is no demand for financing.

There are several academic studies that evaluate the impact of poverty reduction strategies on poverty reduction. Marshall and Walters (2011) find evidence that poverty reduction strategies in some countries have a positive impact on poverty reduction. Other findings from Eggen and Bezemer (2008) suggest that poverty reduction will be much more effective if poverty reduction strategies focus on education and health. The paradigm of poverty alleviation that focussed on the education and health sector is a paradigm that must be built as social protection for
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5. Conclusion

According to the result, it can be argued that the most dominant typology of poverty in Makassar is the typology of cultural poverty reaching 42.3% higher than typology of natural poverty of 27.4% and typology of structural poverty of 31.3%. In addition, this cultural poverty is based on the indicators of Makassar communities that still have high faith in destiny and have a lot of family members. The government policy in issuing the regulation is also considered to be one of the cultural poverty causes such as: the government still favors the development of modern markets than traditional market, rampant evictions occurred, and lack of employment availability.

In relation to poverty alleviation efforts, efforts are needed that integrate various policies and development programs spread across various sectors. It is necessary to have measurable and planned strategies and effective implementation in tackling cultural poverty. This is because the intended target in the handling of cultural poverty is more related to cultural factors of society. As for changing lifestyles, behavior or culture of society is not easy and takes a short time. The culture that exists in society is something that has long been developed and experiencing the process of inheritance between generations. Cultural poverty arises from impoverishing lifestyles and behaviors, so its eradication strategy uses the development of character education and character. Education of this model or better known as character education aims to provide a critical awareness of poverty itself as well as fostering new values that are productive for improving the welfare of the poor. With this character education is expected to grow the values of the culture of sparing, productive, hard work and unyielding spirit. The formation of positive characters is generated through the internalization of positive values either through formal, informal, and non-formal channels.

6. Suggestion and Further Direction

a. The need for poverty reduction becomes great ideals of the entire communities. Starting from the government/officials (central and local), legislators, businessmen, community leaders, religious leaders, analysts, academics, NGOs, as well as the direct involvement of the poor.

b. Makassar communities that have strong faith in the religion should be an approach in an effort to accelerate poverty re-education agenda. Praxis steps from the religious communities are necessary to provide solutions for people who are in poverty. The critical attitude of religious leaders in response to government policies that are not biased on the poor is also needed. In addition, land disputes occurring in Makassar, between the residents and the city government, as well as with the employers shall be addressed.
c. It is necessary to look at poverty in multidimensional way because in addition to the economic dimension, poverty can also be related to the dimension of the political social, environmental, cultural, health, education and religion. With a multidimensional approach it is expected that poverty can be viewed more objectively.

Acknowledgment:

Authors would like to thank the Directorate of Higher Education, Ministry of Research, Technology and Higher Education, Republic of Indonesia for their financial support of this research. We thank the Research Institution of Universitas Negeri Makassar (UNM), and to anonymous reviewers for excellent comments and suggestions for this paper.

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T. Tahir, M. Hasan


