


**THE RELATIONSHIP BETWEEN SOCIOECONOMIC FACTORS AND HOUSEHOLD INCOME LEVELS IN COASTAL AND ISLAND COMMUNITIES IN SOUTH SULAWESI**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p><b>Received</b> 05 June 2023</p> <p><b>Accepted</b> 29 August 2023</p>	<p><b>Purpose:</b> This study aims to describe the characteristics of poor households, including age, education, and main occupation, and examine their relationship with the income level of poor households in coastal communities in South Sulawesi.</p>
<p><b>Keywords:</b></p> <p>Alternative Livelihoods; Coastal and Island; Households; Income; Poverty.</p>	<p><b>Theoretical framework:</b> The reality today still shows that these various poverty alleviation programs have not fully addressed the root causes of poverty. In theoretical studies, poverty is rooted in three main factors: individual poverty, cultural and environmental poverty, and structural poverty.</p>
	<p><b>Design/methodology/approach:</b> The research sample consisted of poor individuals living in coastal and island areas in South Sulawesi, with the unit of analysis being poor households. The sample size was 273 people. Descriptive analysis was conducted to determine the general characteristics of poor households, and Chi-Square analysis was used to assess the relationship between social characteristics and income levels.</p>
	<p><b>Findings:</b> Through Chi-Square analysis, it was found that age, education, and main occupation had a significant relationship with family income. Hence, In poor coastal communities, productive age, education, and occupation are crucial factors in achieving higher family income and maintaining socioeconomic welfare in the future.</p>
	<p><b>Research, Practical &amp; Social implications:</b> The findings have practical implications for policymakers and practitioners working to reduce poverty in coastal communities. The identified factors such as age, education, and occupation can guide targeted interventions, including providing free education and promoting alternative livelihoods beyond traditional occupations.</p>
	<p><b>Originality/value:</b> This study offers valuable insights into the characteristics of poor households in coastal communities in South Sulawesi and their relationship with income levels.</p>

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## A RELAÇÃO ENTRE OS FACTORES SOCIOECONÓMICOS E OS NÍVEIS DE RENDIMENTO DOS AGREGADOS FAMILIARES NAS COMUNIDADES COSTEIRAS E INSULARES DO SUL DE SULAWESI

### RESUMO

**Objetivo:** Este estudo tem por objetivo descrever as características dos agregados familiares pobres, incluindo a idade, a educação e a ocupação principal, e examinar a sua relação com o nível de rendimento dos agregados familiares pobres nas comunidades costeiras do Sul de Sulawesi.

**Estrutura teórica:** A realidade atual continua a mostrar que estes vários programas de redução da pobreza não abordaram totalmente as causas profundas da pobreza. Nos estudos teóricos, a pobreza tem origem em três factores principais: pobreza individual, pobreza cultural e ambiental e pobreza estrutural.

**Desenho/metodologia/abordagem:** A amostra da investigação era constituída por indivíduos pobres que viviam nas zonas costeiras e insulares do Sul de Sulawesi, sendo a unidade de análise os agregados familiares pobres. A dimensão da amostra foi de 273 pessoas. Foi efectuada uma análise descritiva para determinar as características gerais dos agregados familiares pobres e foi utilizada a análise do qui-quadrado para avaliar a relação entre as características sociais e os níveis de rendimento.

**Resultados:** Através da análise do Qui-Quadrado, verificou-se que a idade, a educação e a ocupação principal tinham uma relação significativa com o rendimento familiar. Por conseguinte, nas comunidades costeiras pobres, a idade produtiva, a educação e a ocupação são factores cruciais para alcançar um rendimento familiar mais elevado e manter o bem-estar socioeconómico no futuro.

**Pesquisa, implicações práticas e sociais:** Os resultados têm implicações práticas para os decisores políticos e os profissionais que trabalham para reduzir a pobreza nas comunidades costeiras. Os factores identificados, como a idade, a educação e a ocupação, podem orientar intervenções específicas, incluindo a oferta de educação gratuita e a promoção de meios de subsistência alternativos para além das ocupações tradicionais.

**Originalidade/valor:** Este estudo oferece informações valiosas sobre as características dos agregados familiares pobres nas comunidades costeiras do Sul de Sulawesi e a sua relação com os níveis de rendimento.

**Palavras-chave:** Meios de Subsistência Alternativos, Costeira e Insular, Agregados Familiares, Rendimento, Pobreza.

## LA RELACIÓN ENTRE LOS FACTORES SOCIOECONÓMICOS Y LOS NIVELES DE INGRESOS DE LOS HOGARES EN LAS COMUNIDADES COSTERAS E INSULARES DEL SUR DE SULAWESI

### RESUMEN

**Propósito:** El objetivo de este estudio es describir las características de los hogares pobres, incluidas la edad, la educación y la ocupación principal, y examinar su relación con el nivel de ingresos de los hogares pobres de las comunidades costeras de Sulawesi meridional.

**Marco teórico:** La realidad actual sigue mostrando que estos diversos programas de alivio de la pobreza no han abordado plenamente las causas profundas de la pobreza. En los estudios teóricos, la pobreza tiene sus raíces en tres factores principales: la pobreza individual, la pobreza cultural y medioambiental y la pobreza estructural.

**Metodología:** La muestra de la investigación estaba formada por personas pobres que vivían en zonas costeras e insulares de Sulawesi del Sur, y la unidad de análisis eran los hogares pobres. El tamaño de la muestra fue de 273 personas. Se realizó un análisis descriptivo para determinar las características generales de los hogares pobres, y se utilizó el análisis Chi-cuadrado para evaluar la relación entre las características sociales y los niveles de ingresos.

**Conclusiones:** Mediante el análisis Chi-cuadrado, se comprobó que la edad, la educación y la ocupación principal tenían una relación significativa con los ingresos familiares. Por lo tanto, en las comunidades costeras pobres, la edad productiva, la educación y la ocupación son factores cruciales para lograr mayores ingresos familiares y mantener el bienestar socioeconómico en el futuro.

**Implicaciones de la Investigación:** Las conclusiones tienen implicaciones prácticas para los responsables políticos y los profesionales que trabajan para reducir la pobreza en las comunidades costeras. Los factores identificados, como la edad, la educación y la ocupación, pueden servir de guía para intervenciones específicas, como ofrecer educación gratuita y promover medios de vida alternativos más allá de las ocupaciones tradicionales.

**Originalidad/valor:** Este estudio ofrece valiosos datos sobre las características de los hogares pobres de las comunidades costeras del sur de Sulawesi y su relación con los niveles de ingresos.

**Palabras clave:** Medios de Vida Alternativos, Costa e Islas, Hogares, Renta, Pobreza.

## INTRODUCTION

The study of poverty in society has generated numerous theories on its causes and impacts (Davis & Sanchez-Martinez, 2014; Downes, 2010; Blank, 2010; Jung & Smith, 2007; Turner & Amanda, 2006; Morazes & Pintak, 2006; Bradshaw, 2006; Sameti et al., 2012). Poverty is a condition in which the resources, particularly material resources, of an individual or group are insufficient to meet their basic needs. The World Bank (2004) expands this definition of poverty as a genuine deprivation in well-being that encompasses multiple dimensions. These dimensions include low income, inability to access essential goods and services required for a dignified life, poor health and education levels, limited access to clean water and sanitation, as well as inadequate capacity and opportunities.

In the literature of economic theories, it appears that the focus has been primarily on how to achieve prosperity through the process of capital accumulation. When economics emerged and developed in the late 18th century, advanced industrialized countries were entering a take-off phase. According to WW Rostow, the take-off period for England occurred around 1783-1802. Other advanced countries in Western Europe, such as France, Belgium, Germany, Sweden, and the United States, experienced their take-off phase around 1830-1900. This indicates that economic theories based on laissez-faire principles by Adam Smith paved the way for economic growth based on the experiences of these advanced nations. As a result, economic theories generally revolved around efficiency, profit maximization, capital accumulation, and market expansion. However, following the Great Depression of 1929-1933, economic studies began to address issues such as business cycles, growth, depression, and inflation, still referring to the experiences of developed countries. While issues of crisis and unemployment were discussed, they were largely within the framework of economic growth. So when did economic theories start examining the issue of poverty in society?

A writer from the United States in 1979 wrote a book titled "Progress and Poverty," stating that where there is excessive wealth, there will also be poverty. He argued that harmony does not always exist in society, contradicting the postulate of harmony in classical economic thought. The classical school of thought claims that there is harmony (as in natural law) between individual interests and social welfare. If each individual, driven by the spirit of competition to meet their own interests, ultimately achieves the fulfillment of the overall interests of society. Based on this postulate, which theories were subsequently built upon, Western capitalism then

achieved remarkable prosperity. When Western industrialized countries, especially the United States, realized the prosperity they had achieved, discussions about poverty in economic discourse shifted towards developing countries. As a result, since the 1950s, theories about economic underdevelopment in Asian, African, and Latin American countries began to emerge.

Several economists have analyzed poverty, including Ragnar Nurske with the Vicious Circle theory and J.H. Boeke with the theory of structural economic dualism. Another notable work that delves into the heart of poverty, particularly in South Asia, is Gunnar Myrdal's (1968) "Asian Drama: An Inquiry into the Poverty of Nations." In his book, Myrdal introduces a new definition of poverty and its cumulative circular causes. Regarding Indonesia, poverty was not examined by economists but rather by an anthropologist named Clifford Geertz, who wrote about poverty in agrarian rural Java.

Studies on underdevelopment and poverty in developing countries have been conducted not only by conventional Western economic schools, both liberal and conventional, but also by Marxist scholars. The case of Latin America, which is heavily dominated by capitalist economies, has given rise to theories about the development of underdevelopment. This theory rejects the notion that the causes of poverty lie within the society itself, such as lack of capital, low education, population density, malnutrition, and so on. These factors are merely attributes of poverty. Instead, poverty is rooted in a history of exploitation, particularly by foreign or international capitalist economic powers that engage in penetration, domination, and the draining of profits from peripheral regions to metropolises. This theory is essentially an extension of Marx's theory of the processes of accumulation, concentration, and impoverishment at a global level.

In various disciplines, it has been proposed that the determinants of poverty are quite diverse. From an economic perspective, factors such as the lack or inadequacy of incentive systems to realize individual capabilities, economic underdevelopment, human capital formation, structural elements within a country, contradictions within capitalism, cultural elements within society, and geographical location are mentioned (Shaffer, 2008). In the sociological view, poverty is related to social stratification, housing segregation, persistent racism, support in the form of social capital, the impact of social policies, and the influence of values and behaviors (Rank, 2004). In the field of psychology, poverty is attributed to language development and the accumulation of environmental deficits that lead to poor academic achievement, intelligence levels, morality, and the naturalization of perspectives. The

consequences of poverty can then manifest in mental disorders such as depression, alcoholism, personality disorders, antisocial behavior, and schizophrenia (Turner & Amanda, 2006).

Research conducted by Gans (1995) found that the causes of poverty are related to deficiencies within the individual. Individual factors trigger the emergence of poverty, including individual attitudes, human capital, and participation in welfare. Supporting this notion, Bradshaw (2006) blames the poor for creating their own problems, arguing that with hard work and better choices, the poor can avoid and solve their problems.

In another study, Bradshaw (2006) discovered that cultural belief systems actually support the subculture of poverty. Poverty is created or caused by the transmission of a set of beliefs from generation to generation, socially generated values and skills held individually. Individuals should be blamed because they are victims of their own subculture or dysfunctional culture. Thus, the basis of this theory is the culture of poverty. The concept of the culture of poverty and social isolation or exclusion provide a framework for explaining how poverty is created and perpetuated in certain environments or among certain groups. Cultural and environmental factors are related to the influence of the living environment of a community, which tends to shape poverty or success. This theory was developed by Lewis (1966) based on the assumption that both the poor and the wealthy have different patterns of values, beliefs, and behavioral norms.

The third perspective on the determinants of poverty is the structural factors known as the theory of economic, political, and social distortions or discrimination. According to structuralists, poverty is caused by larger economic and social structures (Abdulai & Shirmshiry, 2014). The basis of this theory links the sources of poverty to economic, political, and social systems that limit people's opportunities and resources to achieve income and well-being (Bradshaw, 2006). Supporting this view, Samati et al. (2012) argue that larger economic and social structures are the causes of poverty. The capitalist system creates conditions that promote poverty, regardless of individual efforts (hard work, skills, and competencies). This theory explicitly explains that in a market-based competitive economic system, unequal initial talents, capabilities, and resources that determine individual productivity lead to poverty (Davis & Sanchez-Martinez, 2014). These three determinants of poverty, as explained in the above theories, will be used to examine the typology of poverty and attitudes towards alternative livelihoods for coastal communities and small islands in South Sulawesi.

Empirical reality today shows that poverty remains a major issue that captures global attention. Several limitations faced by many countries in addressing poverty have perpetuated

this phenomenon. On the other hand, certain advancements have not been able to completely eradicate poverty but, in some cases, have perpetuated or triggered the emergence of new forms of poverty.

The persistently high poverty rates have drawn global attention and mobilized movements. The World Summit in Social Development successfully held the Declaration and Program of Action for Social Development in Copenhagen in 1995. One of the pressing issues addressed in the World Summit was poverty, unemployment, and social exclusion present in every country. Five years later, in September 2000, the United Nations Millennium Summit was convened, where 189 UN member states, mostly represented by their heads of government, agreed to adopt the Millennium Declaration. This Declaration was grounded in the concern for fulfilling basic human rights. In this context, UN member states subsequently adopted the Millennium Development Goals (MDGs). By 2015, there were eight goals that nations worldwide aimed to achieve, with the first goal being the eradication of poverty and hunger (United Nations, 2005).

Although progress has been made towards the MDGs, there are still several agenda items that have not been successfully realized. Therefore, on September 25, 2015, the United Nations continued the MDGs' agenda by officially adopting the Sustainable Development Goals (SDGs) as a global development agreement. Approximately 193 heads of state, including the Vice President of Indonesia, Jusuf Kalla, endorsed the SDGs. With the theme "Transforming Our World: The 2030 Agenda for Sustainable Development," the SDGs consist of 17 Goals and 169 Targets, serving as a global action plan for the next 15 years (from 2016 to 2030) to end poverty, reduce inequality, and protect the environment. The SDGs are applicable to all countries (universal), meaning that all countries, including developed nations, have a moral obligation to achieve the SDGs' Goals and Targets.

In Indonesia, the commitment to address poverty is reflected constitutionally in the 1945 Constitution. However, to this day, poverty rates in Indonesia remain high. From 1976 to 1996, the percentage of the population living in poverty in Indonesia experienced a decline from 40.1% to 11.3%. However, in the subsequent period from 1996 to 1998, this figure rose to 24.29% or 49.5 million people. Then, in 2018, it decreased to 9.82%, but in 2020, it increased again to 10.19% due to the COVID-19 pandemic crisis affecting Indonesia. This indicates that the fundamental resilience of our society to avoid falling into the trap of poverty is still fragile.

The Central Statistics Agency (Badan Pusat Statistik or BPS), in its release in March 2021, explained that although the number of people living in poverty in Indonesia has decreased

in terms of both absolute numbers and percentages, except for the previous year 2020, the possibility of an increase in the poverty rate remains significant. This is especially evident in the years 2013 and 2015 when poverty rates increased due to rising prices of goods and basic necessities as a result of fuel price hikes. Additionally, in 2020, when the COVID-19 pandemic hit Indonesia, it became clear that the vulnerability of our society to poverty reaching and surpassing a rate above 10% could occur.

Another indication of the severity of poverty in society can be seen through the poverty depth index. This index measures the average expenditure gap of each poor individual relative to the poverty line. The poverty line itself represents the minimum average amount of money that households must spend to meet their basic needs. According to the 2021 BPS data, although the poverty depth has decreased compared to the previous year, the severity of poverty remains unchanged. When examining the data based on rural and urban areas, the depth and severity of poverty are higher in rural areas (2.25 and 0.59) compared to urban areas (1.27 and 0.29). The government has implemented several policies to address these issues.

From the New Order era to the reform era, various efforts have been made to combat poverty in Indonesia. Several programs have been implemented to address poverty, including the Small and Medium Enterprises (SME) Credit Program, President's Instruction on Underdeveloped Villages (Desa Tertinggal - IDT), the Family Welfare Development Program through Prosperous Family Savings (Takesra)/Prosperous Family Business Credit (Kukesra), the Small Farmers and Fishermen Income Improvement Project (P4K), the Independent Young Family Joint Business Welfare Social Welfare Program (Prokesos KUBE KMM), Social Safety Net Programs, Urban Poverty Alleviation Program (P2KP), District Development Program (PPK), and direct cash assistance due to fuel crisis. Under the United Indonesia Cabinet II, the government implemented several poverty alleviation programs in Cluster I, including the Family Hope Program (PKH), School Operational Assistance (BOS), Poor Student Assistance Program (BSM), and Rice for Poor Families Program (RASKIN). In Cluster II, there is the National Community Empowerment Program (PNPM) and Expansion Program for Productive Employment Opportunities/Labor-Intensive Works. In Cluster III, poverty alleviation programs are based on microeconomic empowerment through the provision of people's business credit (KUR) and Joint Business Credit (KUBE).

However, the reality today still shows that these various poverty alleviation programs have not fully addressed the root causes of poverty. In theoretical studies, poverty is rooted in

three main factors: individual poverty, cultural and environmental poverty, and structural poverty.

According to Davis and Sanchez-Martinez (2014), poverty is a state in which an individual or a group of people, particularly in terms of material resources, lacks the means to meet their minimum needs. The World Bank (2004), as cited by Davis and Sanchez-Martinez (2014), expands on this definition by stating that poverty is defined as a real deprivation of well-being, consisting of multiple dimensions. These dimensions include low income, the inability to access basic goods and services necessary for dignified survival, poor health and education, inadequate access to clean water and sanitation, as well as insufficient capacity and opportunities.

There are several theories of poverty that attempt to identify underlying determinants or causes of poverty (Downes, 2010). These theories, as proposed by Shaffer (2008), relate to the lack or inadequacy of incentive systems to realize individual capabilities, economic underdevelopment, human capital formation, structural elements within a country, contradictions within capitalism, cultural elements within society, and geographical location. Blank (2010) also suggests that theories of poverty can be classified into perspectives of economic theory, sociology theory, psychology theory, anthropology theory, and political theory.

From an economic perspective, poverty is caused by economic underdevelopment, lack of human capital development, dysfunctional capitalist markets, social and political power dynamics, individual characteristics and behavioral choices, and welfare dependence or the so-called poverty trap (Blank, 2010; Jung and Smith, 2007). Poverty is attributed to economic underdevelopment, lack of human capital development, dysfunctional capitalist markets, social and political power dynamics, individual characteristics and behavioral choices, and welfare dependence or the poverty trap. From a sociological standpoint, poverty is caused by social stratification, housing segregation and persistent racism, support in the form of social capital, the impact of social policies, and the influence of values and behaviors (Rank, 2004; Wolf, 2006). Turner and Amanda (2006) assert that from a psychological theory perspective, poverty is caused by language development and the accumulation of environmental deficits leading to poor academic achievement, intelligence-based psychological theories, manifestations of moral deficiency, and the naturalization perspective. The authors further indicate that the prevalence and occurrence of mental disorders (depression, alcoholism, antisocial personality disorder, and schizophrenia), as well as globalization, refer to psychological theories on the impact of



poverty. In summary, Turner and Amanda (2006) claim that psychological theories can broadly be classified into two categories: those emphasizing the role of public policy (government) and political participation (Morazes and Pintak, 2006).

Sameti et al. (2012) also argue that the causes of poverty can be classified into three factors: individual factors, cultural and environmental factors, and structural factors. Davis and Sanchez-Martinez (2014) also examine poverty from an economic perspective, referring to Classical theory, Neoclassical theory, Keynesian/Liberal theory, and Marxist/radical theory. However, Bradshaw (2006), in various studies, concludes that there are five causes of poverty, including: poverty caused by individual deficiencies, poverty caused by cultural belief systems that support a subculture of poverty, poverty caused by economic, political, and social distortions or discrimination, poverty caused by geographic disparities, and poverty caused by cumulative interdependence and cycles.

The causes of poverty are numerous but can be grouped into individual factors, cultural factors, structural factors, economic factors, political factors, social factors, geographic factors, and interdependent cyclical factors, among others. This suggests that there are various theories of poverty, but according to Bradshaw (2006), they can be categorized as theories of individual deficiencies, theories of cultural belief systems that support a subculture of poverty, theories of economic, political, and social distortions or discrimination, geographic theories, and theories of cumulative interdependence and cycles.

Individual Deficiency Theory theory asserts that individuals are responsible for their own poverty situation. Gans (1995), as cited by Sameti et al. (2012), believes that individual factors causing or triggering poverty include individual attitudes, human capital, and welfare participation. Bradshaw (2006) blames the poor for creating their own problems, arguing that with hard work and better choices, the poor can avoid and solve their problems. He further explains that poverty is caused by a lack of genetic qualities such as intelligence that cannot be easily reversed.

This theory is rooted in American values and the belief in the free-market system, which is considered to provide opportunities for everyone. Rank (2004), as cited by Sameti et al. (2012), emphasizes that the belief in individualism strongly emphasizes individual hard work and responsibility for acquiring basic needs, including food, housing, and healthcare services. Furthermore, theories based on American values and beliefs emphasize that talent, virtue, and hard work can lead to success, and individual poverty is seen as a personal failure due to a lack of motivation.

Culture Belief System Theory focuses on the belief that poverty is created or caused by the transmission of a set of beliefs, values, and socially generated skills from generation to generation but held individually (Bradshaw, 2006). Bradshaw (2006) further asserts that individuals should be blamed because they are victims of their own dysfunctional subculture or culture. It is worth noting that this theory is rooted in the concept of the "Culture of Poverty." The concept of the culture of poverty and social isolation or exclusion provides a framework for explaining how poverty is created and perpetuated in certain environments or among certain groups. Cultural and environmental factors are related to the influence of the residential environment that tends to shape poverty or success.

The theory of the culture of poverty was developed by Lewis (1966) and is built on the assumption that both the poor and the wealthy have different patterns of values, beliefs, and behavioral norms. This theory argues that the poor become poor because they learn certain psychological behaviors associated with poverty. Lewis (1966) argues that the poor do not learn to study hard, plan for the future, protect themselves sexually, or spend money wisely (Sameti et al., 2012). According to Lewis (1966), as cited by Sameti et al. (2012), poverty is passed down from generation to generation because children are socialized with values and goals associated with poverty.

According to Economic, Political, and Social Distortion or Discrimination Theory, for structural theorists, poverty is caused by larger socio-economic structures (Abdulai and Shirmshiry, 2014). Those who believe in this theory associate the sources of poverty with economic, political, and social systems that limit people's opportunities and resources to attain income and well-being (Bradshaw, 2006). The same viewpoint is expressed by Sameti et al. (2012), who believe that larger economic and social structures are the causes of poverty. They argue that capitalism creates conditions that promote poverty, and regardless of individual efforts (hard work, skills, and competence), the structure of some economies, such as the United States economy, ensures that millions of people become poor. In other words, more literature indicates that the economic system is structured in such a way that the poor are left behind regardless of their competence (Bradshaw, 2006). The theory also asserts that in a competitive market-based economic system, unequal initial talents, skills, and resources that determine individual productivity lead to poverty (Davis and Sanchez-Martinez, 2014).

According to Davis and Moore (1945), as cited by Sameti et al. (2012), certain positions in society require specific and sometimes unique talents, skills, and knowledge. They further argue that the conversion of one's talent into such specialized skills and knowledge requires a

training period in which individuals undergoing such training must sacrifice time, money, and other resources. Therefore, individuals need to be motivated by the rewards such as higher wages and privileges for undergoing such training, or else society will suffer. Hurst (2004), as cited by Sameti et al. (2012), argues that labor market theory focuses on income and earning disparities to explain the primary causes of poverty.

Neoclassical labor market theory assumes the existence of a relatively free and open market where individuals can compete for positions, and these positions depend on individuals' abilities, efforts, and training. According to Grusky (2001), as cited by Sameti et al. (2012), neoclassical labor market theorists argue that individuals are rewarded proportionately to what they contribute to society. Furthermore, they argue that education, training, skills, and intelligence are crucial productivity components in a free-market society, and the more one offers in the free market, the greater the reward. Neoclassical labor market theory has been criticized by the dual labor market theory. The dual labor market theory posits that the free market does not function perfectly as proposed by neoclassical theory. Advocates of the dual labor market theory suggest that other factors in a competitive society tend to determine individuals' positions and incomes. They point out that education and training programs often fail to reduce inequality. Moreover, it is stated that discrimination against minorities in the labor market contradicts the effective operation of a free market. Dual labor market theorists also argue that widespread alienation among workers indicates that the free market model does not work effectively.

Figart and Power (2002) and Blau and Kahn (2000) have identified specific features in the labor market that result in deviations from the general laws of wage determination. One important consideration is the influence of gender and race on wages. Hurst (2004) documents individual income variations and claims that these differences are due to social factors such as gender and race. Alkire (2007) supports this view when she notes that differences in human capital partly account for income disparities. However, differential incomes are caused by several social factors, including gender and race. There is a relationship between labor wages and gender or race, and this is socially constructed. Social constructionists like Fischer argue that inequality is the result of deliberate construction, created and maintained by social institutions and policies (Sameti et al., 2012).

Additionally, certain demographic characteristics including race, gender, work disability, family size and structure, place of residence, and age are important factors that can increase or decrease the risk of poverty. Generally, poverty rates are higher in households

headed by single parents, women, minority groups, households with a large number of children, and elderly individuals (Rank, 2004).

With specific reference to rural poverty, Richardson and London (2007) argue that the relationship between poverty and structural inequality is not coincidental or incidental but rather structural and causal. To address this issue, they suggest that the first step is to break down these barriers, followed by building rural economies. However, Abdulai and Shamshiry (2014) have explained that combating structural poverty only seeks to strengthen the ability of the poor to meet their livelihoods but does not transform society into passive and permanent beneficiaries of aid programs. They believe that the theory of structural poverty is rooted in Marxist doctrine, where the argument is made that the existence of a low-income class is a creation of the capitalist economic system, or bourgeoisie, as a strategy of dominance. When assessing this perspective from an Islamic standpoint, it should be clarified that private ownership of property is allowed in Islam. However, such property must be acquired through legitimate means. This necessitates significant government intervention to provide an equal playing field for wealth acquisition and the fair and justified redistribution of wealth.

The Geographic Gap Theory states that poverty is caused by geographic disparities. The attempt to theorize poverty along geographic lines has led to the emergence of the geography of poverty (Abdulai and Shamshiry, 2014). According to Bradshaw (2006), the causes of this poverty represent rural poverty, ghetto poverty, urban disinvestment, southern poverty, third world poverty, and others that are separate from other theories. This theory draws attention to the fact that people, institutions, and cultures in certain areas lack the objective resources needed to generate well-being and income, and they lack the power to claim redistribution. According to Abdulai and Shamshiry (2014), the use of geographic disparities in poverty analysis assumes the concentration of poverty in certain regions, communities, and localities within a country and between regions worldwide.

Several explanations are given regarding the factors causing poverty, including disinvestment, proximity to natural resources, density, diffusion of innovation, and other factors. It has long been a conventional belief that advantaged areas will grow more than disadvantaged areas even in periods of overall economic growth. The suggested solution to addressing poverty associated with geographic differences is to primarily address the key factors triggering decline in disadvantaged areas (Abdulai and Shamshiry, 2014).

Abdulai and Shamshiry (2014) argue that the proximity of poverty conditions creates widespread poverty. The attraction of businesses and companies away from one location to

another assumes the possibility of impoverishing the "other location." For example, low housing prices in such poor locations can attract more poor people, leading to disinvestment in housing by building owners. Bradshaw (2006) affirms that the fact that poverty is more intense in certain places than others is well-established, and there are many explanations in the development literature as to why some areas lack the economic resources to compete. Some reasons he provides for poverty disparities include disinvestment, proximity to natural resources, density, and diffusion of innovation.

According to Bradshaw (2006), there are three perspectives within this theory. One theoretical perspective on the spatial concentration of poverty stems from the theory of economic agglomeration, the second from central place theory, and the last one involves selective outmigration. The theory of economic agglomeration explains how proximity or concentration of similar companies attracts supporting services and markets, which in turn attract more companies. Conversely, where poverty and impoverished conditions exist, it leads to more poverty. Central place theory asserts that advantaged areas tend to grow faster than disadvantaged areas even in periods of overall economic growth, and there will be multiplier effects but not equalization according to classical economics. The perspective of selective outmigration, according to Wilson (2003) cited in Bradshaw (2006), argues that people from ghetto areas with the highest levels of education, the greatest skills, the broadest worldviews, and the widest opportunities are those who migrate out from urban centers to other places. Additionally, he argues that those who depart are also the best role models in the community and often become civil leaders. Rural poverty, according to Bradshaw (2006), is similar to selective outmigration.

The Cumulative and Cyclical Interdependence Theory, also known as the Theory of Poverty Cycles, as described by Abdulai and Shamsiry (2014), explains a type of poverty that occurs when individuals or households suddenly cannot meet their needs due to unforeseen circumstances, such as natural disasters. The cycle explanation highlights the clear interdependence between individuals' situations and community resources. In an unstable economy, for instance, it creates individuals who lack the resources to participate in the economy, making economic survival increasingly difficult for the community as people pay fewer taxes (Bradshaw, 2006). Bradshaw further explains that inadequate employment leads to inadequate income, resulting in insufficient expenditure, consumption, and savings. This assumption implies that individuals are unable to invest in training, businesses, or start their

own ventures, which further hinders expansion. As a consequence, markets shrink, disinvestment occurs, and opportunities become scarce in the community.

The second level of the poverty cycle is related to health challenges. Inability to afford preventive medication, proper nutrition, and a healthy living environment leads to health issues or challenges. These factors contribute to the persistent disadvantage experienced by the poor. Moreover, the poverty cycle means that due to inadequate income, impoverished individuals fail to invest in their children's education. As a result, children attend low-quality schools and fall further behind when entering the job market.

The third level of the poverty cycle is characterized by a lack of employment and income, which leads to worsened self-confidence, weak motivation, and depression. The psychological problems of individuals are exacerbated by their interactions with others, fostering a culture of despair. In rural areas, this culture of despair also affects community leaders, leading to a sense of hopelessness and fatalism among them (Bradshaw, 2006).

Perception Theory. Individuals behave in a certain way based not on the actual external environment but rather on what they see or believe. Perception, therefore, explains a process by which individuals organize and interpret their sensory impressions to give meaning to their environment (Robbins, 1996). The study of perception has long been conducted (Bruner & Tagiuri, 1954; Dearborn & Simon, 1958, Kelley, 1972; Judd & Park, 1993). The study of perception is important in the analysis of organizational behavior because people's behavior is based on their perception of reality, not on reality itself. The perceived world forms the basis for attitudes and behaviors when making decisions. Determinants that influence perception are related to the perceiver (individual characteristics), the perceived target, and the situational environment in which objects, people, and events are perceived (Kelley, 1972). In the context of perception implemented in a social environment, the concept/theory approach typically used is attribution theory.

Attribution theory is a process in which individuals observe behavior and interpret whether the behavior is internally or externally caused. Internal attribution refers to behavior that is under the control of the individual. Conversely, external attribution is related to behavior where the dominant influence is derived from external factors (Kelley, 1972). Attribution theory will be used to analyze the perception of the impoverished community regarding alternative efforts other than main job.

The problem to be examined in this research is the relationship between socioeconomic and demographic characteristics with the poverty level measured by the income level of the

population in the coastal and island regions of South Sulawesi. The coastal and island regions in South Sulawesi generally share similarities in terms of socioeconomic and demographic factors. However, in certain aspects, especially geographical location, ethnicity, and cultural influences, the communities exhibit unique variations. Nevertheless, this study focuses solely on the socioeconomic and demographic characteristics associated with income levels.

## **METHODOLOGY**

The population in this study consisted of the entire poor population residing in coastal areas and islands in South Sulawesi. A total of 273 individuals were sampled from 5 selected regions: Makassar City, Pangkep District, Jeneponto District, Bulukumba District, and Selayar District. The unit of analysis was poor households. The data analysis method involved descriptive analysis to provide an overview of the characteristics of poor households and Chi-Square analysis to examine the relationship between the characteristics of poor households and various socio-economic variables, as well as the relationship between the perception of the poor community and alternative livelihoods.

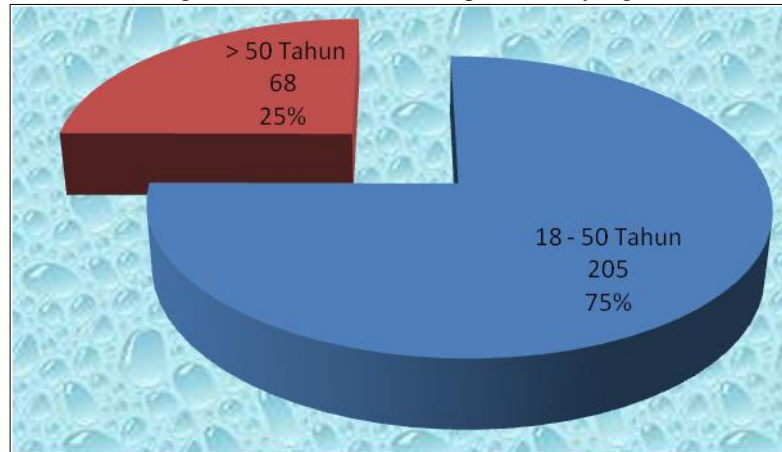
## **RESULT AND DISCUSSION**

Referring to the research objectives, which aim to describe the demographic, social, and economic characteristics of households, as well as analyze the relationship between the characteristics of poor households and income levels in 5 districts and cities in South Sulawesi Province, the analysis and discussion of the research will be systematically presented as follows.

### **Age Characteristics**

The analysis of respondents based on age groups aims to differentiate whether respondents fall within the productive or non-productive age range. In this study, it is assumed that the productive age group comprises individuals aged 18 to 50 years, while the non-productive age group includes those above 50 years (Figure 1). Based on Figure 1, it is evident that out of the total respondents of 273 individuals examined, 205 respondents (75 percent) are within the productive age range. The remaining 25 percent, or 68 individuals, belong to the non-productive age group.

Figure 1: Distribution of Respondents by Age

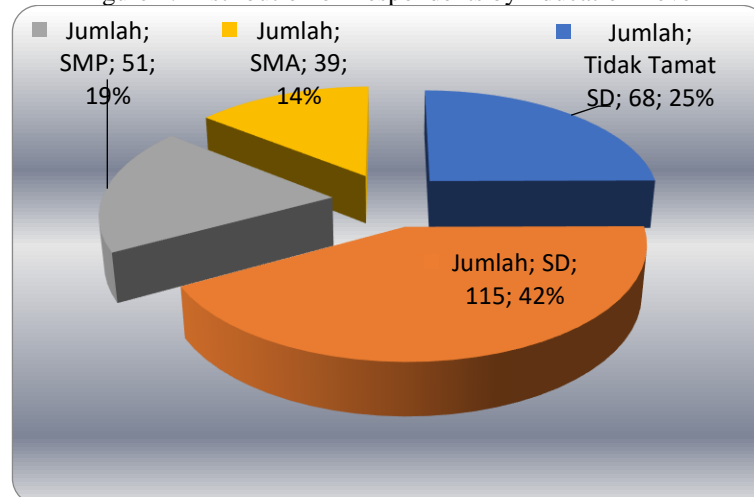


Source: Prepared by Authors (2023)

### Characteristics of Education

Looking at the level of formal education attained by the respondents, the largest group consists of respondents who have not completed primary school, accounting for 25 percent or 68 individuals. This is followed by respondents with primary school education, totaling 115 individuals or 42 percent of the total respondents. The group with junior high school education comprises 51 individuals or 19 percent. The smallest group is respondents with high school education or higher, comprising 14 percent or 39 individuals. For a clearer distribution of respondents based on education, please refer to Figure 2.

Figure 2: Distribution of Respondents by Education Level



Source: Prepared by Authors (2023)

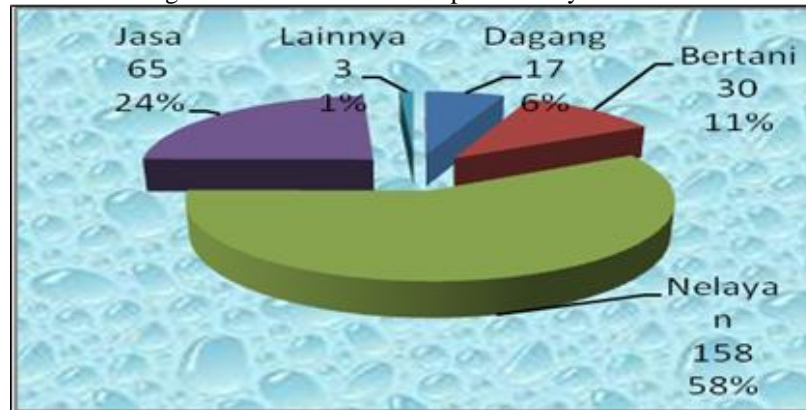
### Main Job Characteristics

Of the 273 respondents selected as sample members in this study, 57.88 percent or 158 respondents whose main occupation was fisherman, 30 people (11 percent) of respondents



worked as farmers, while 6 percent (17 people) and 24 percent (65 people) of the total respondents worked as traders and craftsmen/services. For more details on the distribution of respondents according to education can be seen in Figure 3.

Figure 3: Distribution of Respondents by Main Job

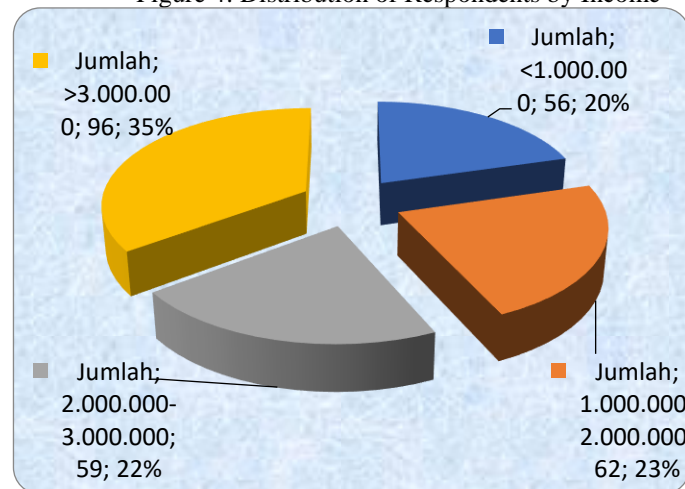


Source: Prepared by Authors (2023)

### Income Characteristics

Among the selected respondents, 20 percent or 56 individuals had an average income per family member below Rp. 1,000,000 per month. Additionally, 62 respondents (23 percent) had an average family income ranging from Rp. 1,000,000 to Rp. 2,000,000 per month. Furthermore, 35 percent of respondents had an average family income exceeding Rp. 3,000,000 per month. This indicates that 56 families of respondents are living below the poverty line (Figure 4).

Figure 4: Distribution of Respondents by Income



Source: Prepared by Authors (2023)

### **Relationship between Household Head Age and Household Per Capita Income**

The distribution of households based on the age of the household head tends to be concentrated in the productive age group, with 28.9 percent (30-40 years) and 26.4 percent (31-50 years). Further analysis using statistical tests reveals a significant difference in the proportion of household income based on the age of the household head. This indicates a significant relationship between the age of the household head and household income, with a Pearson Chi-Square value of 0.001, which is smaller than the significance level of 5% (0.05). This suggests that among poor households, the older the household head, the more productive they are. When this condition is associated with human capital theory, it is evident that work experience (proxied by age) has a positive impact on labor productivity (Becker, 1993). The implication of these research findings is that the improvement of human capital among the poor population is still necessary.

### **Relationship between Household Head Education and Household Per Capita Income**

Theoretical perspectives from Anderson (1983), Ehrenberg et al. (2000), and McConnell (1999) depict the relationship between education and annual income through graphs. Becker (1993) defines human capital as the knowledge possessed by individuals that enhances work productivity and, in turn, leads to receiving rewards (income) assumed to be equal to the marginal productivity value (VMPP).

This research supports the human capital theory, where formal education is positively and significantly related to household per capita income. Upon further analysis, a significant relationship is observed between the level of education and per capita income of poor households, with a Pearson Chi-Square value of 0.002, smaller than the significance level of 5% (0.05). This indicates that the level of education is an investment in human capital that needs to be developed to promote labor productivity, which will subsequently lead to increased income or reduced poverty rates in society.

The findings of this research align with previous studies conducted by Belzil (2000), Wheeler (2001), Bound (2000), and Bloeman (2001), who found that education and work experience have a positive and significant impact on income levels. This indicates that this research contributes to the scientific knowledge base, particularly in the field of human capital theory. Thus, the importance of education as a primary human capital asset becomes increasingly irrefutable, alongside work experience and natural abilities, as well as social environment.

In this case, low income (business results), skills, and low education are interconnected and mutually influential. According to Jalaludin Rachmat (1999), low productivity and low income lead to low education. Low education results in low-quality human resources. Low-quality human resources lead to low productivity, and the cycle continues. This perspective is referred to as a vicious circle or the poverty cycle.

### **Relationship between Household Head Occupation and Household Per Capita Income**

The distribution of household heads based on per capita income and occupation shows that there are differences in the pattern of household per capita income based on occupation. It appears that workers in the non-primary sector (traders and craftsmen) have a higher chance of obtaining higher per capita income compared to the primary sector (farmers and fishermen). Further analysis using statistical tests reveals a significant difference in per capita income among different occupations. The statistical test results show a significant relationship, with a Pearson Chi-Square value of 0.001, smaller than the significance level of 5% (0.05). This indicates that the research findings support the theory that work productivity in the primary sector is relatively lower than in other sectors. The primary sector is more susceptible to specific seasons and climate variations, while the non-primary sector is relatively less affected by time, seasons, and specific climates.

The poverty characteristics and alternative livelihoods for sustainable coastal communities in 5 districts/cities in South Sulawesi Province, including gender, marital status, family size, age, formal education, informal education, reading and writing skills, proficiency in using the Indonesian language, primary occupation, family per capita income, family income, home ownership status, social activities, assistance from external sources, land ownership, machinery ownership, savings ownership, boat ownership, vehicle ownership, and monthly expenses. Generally, they have similar characteristics to the overall poor population in coastal communities (fishermen), farmers (inland), and urban areas in Indonesia. However, there are variations and differences compared to previous studies, particularly regarding the primary and secondary occupations, which do not show a difference in terms of family income.

The relationship between these socioeconomic characteristics and family income levels can be summarized as follows: In coastal poor communities, the productive age is crucial for achieving better family income in order to sustain socioeconomic well-being in the future. Since coastal community occupations primarily rely on physical strength, the labor force and the number of individuals greatly determine income output. Consequently, the desire to have a

larger family size becomes a choice, but, on the other hand, it leads to a decrease in family income.

With an increase in family size that is not proportionate to an increase in family income, it will undoubtedly affect the level of economic well-being for the family. Formal education and informal education are also essential needs for coastal poor communities, but the trade-off between current consumption as a long-term capital investment forces them to prioritize the former. This means that free education programs for the coastal poor community are their hope for government support. Active participation in various institutions is crucial for building character and motivating coastal poor communities to break the cycle of poverty. However, social activities do not have a significant impact on family income and are often avoided or not pursued at all. Various institutional and social activities are needed to have an impact on improving family economy.

Having alternative secondary occupations, in addition to the primary occupation as a coastal fisherman, farmer, trader, or other service sectors, should have a positive impact on increasing family income. However, the study results show no difference between the primary and secondary occupations. This means that the secondary occupation is still part of the primary occupation and does not contribute to additional family income. Therefore, alternative livelihoods beyond the primary occupation need to be developed.

Alternative livelihoods in the service sector should be considered, as the non-primary sector (traders and craftsmen) has a greater opportunity to earn higher income compared to the primary sector (fishermen and farmers). Efforts in that direction can be undertaken since coastal poor communities also have the same preferences as other communities in terms of developing human resources. This means they can be educated and trained to expand their skills and knowledge, leading to a wider range of job opportunities that can increase family income.

## **CONCLUSION AND SUGGESTION**

The characteristics of poverty and alternative livelihoods in the sustainable coastal communities in 5 districts/cities in South Sulawesi Province, including age, formal education, main occupation, and per capita family income, exhibit similarities to those of the general poor communities in coastal areas (fishermen), inland areas (farmers), and urban areas in Indonesia. Among these characteristics, age, education, and main occupation show a significant relationship with family income.

Based on the findings, it can be concluded that in coastal communities facing poverty, the productive age group, level of education, and choice of occupation play crucial roles in determining a family's income. These factors are essential for enhancing future socio-economic well-being and ensuring the sustainability of the community's socio-economic conditions.

To address the challenges faced by coastal village communities in South Sulawesi, several recommendations can be made. Firstly, it is crucial to provide accessible and free education services to these communities. The government should develop a national education system that specifically caters to the needs of the coastal poor, offering both formal and informal education opportunities. Currently, education in Indonesia is prohibitively expensive for many coastal families, leading them to prioritize survival over schooling for their children. By ensuring that education is affordable and accessible, the government can empower coastal communities and provide them with the knowledge and skills needed for economic advancement.

Another important aspect to consider is the redistribution of business ownership and assets among coastal communities. This should include land ownership, machinery, savings, fishing boats, and vehicles. The current imbalance in land ownership, with fertile agricultural lands predominantly owned by local middlemen and landlords, contributes to the poverty gap in rural areas. Coastal villagers, who often have limited land and agricultural resources, are forced to work as laborers on these lands without reaping substantial benefits. By promoting a fair distribution of assets and resources, coastal communities can have greater control over their economic activities and improve their income levels.

The government can also play a vital role in empowering coastal communities by investing in fishing technology infrastructure in rural areas. This would create employment opportunities and enhance the productivity and efficiency of fishing activities. By modernizing and providing access to advanced fishing equipment and techniques, coastal communities can increase their income and improve their overall economic well-being.

Furthermore, it is essential to conduct further research to explore the influence of individual characteristics, geography, ethnicity, and cultural factors on the success of poverty alleviation programs in coastal and island communities. Understanding the specific contexts and dynamics of these communities will enable policymakers to design targeted interventions that effectively address the unique challenges they face. This research can also inform the development of alternative livelihood options beyond fisheries, considering the diverse skills and resources available in coastal areas.

By implementing these recommendations, it is possible to create a more inclusive and sustainable environment for coastal communities in South Sulawesi. Education, asset redistribution, investment in fishing technology, and tailored interventions based on thorough research can collectively contribute to uplifting the economic conditions and overall well-being of the coastal poor.

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