Salud, Ciencia y Tecnología - Serie de Conferencias. 2024; 3:673

doi: 10.56294/sctconf2024673



SERIE



Category: Finance, Business, Management, Economics and Accounting

## **CASE REPORT**

# The Relationship Between Socio-economic Characteristics and Income Level: A Case Study of Coastal Communities in Makassar

La Relación Entre las Características Socioeconómicas y el Nivel de Ingresos: Un Estudio de Caso de Comunidades Costeras en Makassar

Haeriah Hakim¹ <sup>10</sup> ⊠, Muhammad Idrus Taba¹ <sup>10</sup> ⊠, Haris Maupa¹ <sup>10</sup> ⊠

Cite as: Hakim H, Idrus Taba M, Maupa H. The Relationship Between Socio-economic Characteristics and Income Level: A Case Study of Coastal Communities in Makassar. Salud, Ciencia y Tecnología - Serie de Conferencias. 2024; 3:673. https://doi.org/10.56294/sctconf2024673

Submited: 29-11-2023 Revised: 19-02-2024 Accepted: 17-04-2024 Published: 18-04-2024

Editor: Prof. Dr. William Castillo-González

## **ABSTRACT**

The purpose of the study is to determine the characteristics of poor family groups, calculate welfare, education and main occupation and determine their relationship with the income level of poor family groups in coastal communities of Makassar city. It is well known that current poverty reduction programs do not fully address the root causes of poverty. In hypothetical research, three key variables account for poverty: human poverty, social and natural poverty, and additional poverty. The research methodology was conducted using a survey method that focused on poor communities living in the coastal areas of Makassar city, with a unit of analysis for poor households. The number of samples tested was 273 people. To identify the characteristics of poor family groups, a descriptive study was conducted and the relationship between social characteristics and income level was used using the chi-square test. Research results using chi-square methods confirmed that education, education and economics have a significant relationship with family income. Therefore, in poor coastal communities, high-quality production, education and entrepreneurship are important elements to achieve higher family income and better social distance. The results of this study provide concrete suggestions for policymakers and experts seeking to reduce poverty in coastal communities. Family elements such as children, education and work can lead to some actions including providing free education and encouraging volunteerism in traditional activities. It also provides important data on the characteristics of low levels of family reunification in coastal communities of Makassar city and their relationship to the level of implementation.

Keywords: Socio-economic; Income Level; Coastal Communities.

# **RESUMEN**

El propósito del estudio es determinar las características de los grupos familiares pobres, calcular el bienestar, la educación y la ocupación principal y determinar su relación con el nivel de ingresos de los grupos familiares pobres en las comunidades costeras de la ciudad de Makassar. Es bien sabido que los programas actuales de reducción de la pobreza no abordan completamente las causas fundamentales de la pobreza. En la investigación hipotética, tres variables clave explican la pobreza: pobreza humana, pobreza social y natural, y pobreza adicional. La metodología de la investigación se llevó a cabo utilizando un método de encuesta que se centró en las comunidades pobres que viven en las zonas costeras de la ciudad de Makassar, con una unidad de análisis para hogares pobres. El número de muestras analizadas fue de 273 personas. Para identificar las características de los grupos familiares pobres, se realizó un estudio descriptivo y se utilizó la relación entre las características sociales y el nivel de ingresos mediante la prueba de chi cuadrado.

© 2024; Los autores. Este es un artículo en acceso abierto, distribuido bajo los términos de una licencia Creative Commons (https://creativecommons.org/licenses/by/4.0) que permite el uso, distribución y reproducción en cualquier medio siempre que la obra original sea correctamente citada

<sup>&</sup>lt;sup>1</sup>Hasanuddin University. Department of Management. Makassar, Indonesia.

Los resultados de la investigación utilizando métodos chi-cuadrado confirmaron que la educación, la educación y la economía tienen una relación significativa con el ingreso familiar. Por lo tanto, en las comunidades costeras pobres, la producción, la educación y el espíritu empresarial de alta calidad son elementos importantes para lograr mayores ingresos familiares y una mejor distancia social. Los resultados de este estudio brindan sugerencias concretas para los formuladores de políticas y expertos que buscan reducir la pobreza en las comunidades costeras. Los elementos familiares, como los niños, la educación y el trabajo, pueden llevar a algunas acciones, incluida la provisión de educación gratuita y el fomento del voluntariado en entornos tradicionales. También proporciona datos importantes sobre las características de los bajos niveles de reunificación familiar en las comunidades costeras de la ciudad de Makassar y su relación con el nivel de implementación.

Palabras clave: Socioeconómico; Nivel de ingresos; Comunidades Costeras.

## **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 takeoff 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 harmonydoes 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) betweenindividual interests and social welfare. If each individual, driven by the spirit of competition tomeet 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 UnitedStates, 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 newdefinition of poverty and its cumulative circular causes. Regarding Indonesia, poverty was notexamined 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. 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.

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 %age 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 %ages, 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.

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.

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 attainincome 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).

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.

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.

#### **METHODS**

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 the city of Makassar, South Sulawesi, Indonesia. 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 andvarious socio-economic variables, as well as the relationship between the perception of the poorcommunity and alternative livelihoods.

Here Is a Breakdown of The Population and sample In This Study:

- The population of the study is the poor in the District of Ujung Tanah Makassar city of 36,743 inhabitants. It consists of nine villages, of which four have coastal characteristics, namely Cambayya Village, Pattingallloang Village, Camba Berua Village and Tabaringan village or about 44 % are coastal areas. It is estimated that the number of inhabitants who occupy the coastal area is around 16,000 people.
- The research samples were purposively determined in four coastal villages, namely Cambayya, Pattingalloang, Camba Berua and tabaringan. Of the total population of 16,000 people who inhabit the coast, an estimated 11 % are poor, amounting to 1,760 people. Therefore, the unit of analysis of the study is poor households, the sample was determined purposively by 352 households of 1,760 divided by 5 people average household.
- Sampling and sample setting. The number of samples of family heads 352 is a sample frame in which the research sample will be determined based on certain characteristics. Based on the characteristics, availability of data and feasibility, the research sample was finally determined amounted to 273 heads of poor families from four villages that are divided proportionally (table 1).

Table 1. Sample Distribution		
No	District	Sample number of Heads of families
1	Tabaringan	69
2	Pattingalloang	68
3	Camba Berua	68
4	Cambayya	68

#### 5 Hakim H, et al

The study variables were:

- Household income level
- Productive age level
- Marital Status
- Number of family dependents
- Education level
- Social activities
- Side Jobs
- Types of work
- Asset ownership Status
- Financial assistance from other parties
- Household spending levels

## Data analysis

- Descriptive analysis of socio-economic factors using cross-tabulation
- The relationship between socio-economic status and income level using chisquare analysis.

#### **RESULTS**

Referring to the research objectives, which aim to describe the demographic, social, and economic characteristics of households, as well as analyze the relationship between thecharacteristics of poor households and income levels in 5 districts and cities in South SulawesiProvince, 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 evidentthat out of the total respondents of 273 individuals examined, 205 respondents (75%) arewithin the productive age range. The remaining 25%, or 68 individuals, belong to the non-productive age group.

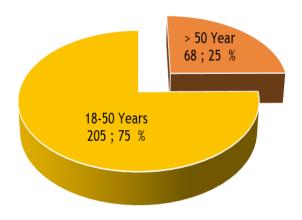


Figure 1. Responders' age distribution

# **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 % or 68 individuals. This is followed by respondents with primary school education, totaling 115 individuals or 42 % of the total respondents. The group with junior high school educationcomprises 51 individuals or 19 %. The smallest group is respondents with high school education or higher, comprising 14 % or 39 individuals. For a clearer distribution of respondents based on education, please refer to Figure 2.

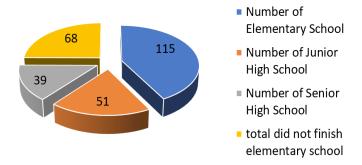


Figure 2. Distribution of Respondents by Education Level

# **Main Job Characteristics**

Of the 273 respondents selected as sample members in this study, 57.88% or 158 respondents whose main occupation was fisherman, 30 people (11 %) of respondents worked as farmers, while 6% (17 people) and 24 % (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.

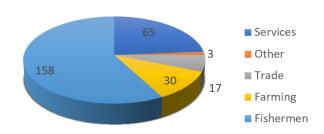


Figure 3. Distribution of Respondents by Main Job

## **Income Characteristics**

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

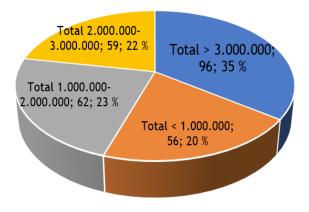


Figure 4. Distribution of Respondents by Income

#### **DISCUSSION**

### **Characteristics of Respondents**

This study aims to describe the demographic, social and economic characteristics of households, and analyze the relationship between the characteristics of poor households with income levels in the city of Makassar by taking a sample of Ujung Tanah Sub-District which is characterized by coastal and island areas. The analysis and discussion of the research will be described systematically as follows.

Respondents in this study were poor households whose samples were scattered in 4 villages in Ujung tanah sub-district. The characteristics of respondents include gender, marital status, number of family members, age, formal education, informal education, reading and writing skills, Indonesian language skills, main job, alternative job, language, social activities, home ownership, income, other party assistance, land ownership, machine ownership, boat ownership, vehicle ownership, and monthly expenses. Based on the data and information gathered from this study, it can be stated that of the 273 respondents, the community consisted of 83,15 % or 227 male respondents and 16,85 % or 46 female respondents. This figure indicates, that the important role of poor families to contribute in this study is dominated by men. This condition occurs because the existence of a father as the head of the family has a greater public role than women. Most (91,58 %) or 250 respondents are married, the rest are unmarried (1.83 %) or 5 respondents and 18 respondents (6,59 %) are divorced (widower/widow). If viewed from the number of family members, it appears that 59,34 % (162) of respondents who have family members 2-4 people, 105 respondents or 38,46 % who have family members/dependents of more than 5 people, and the remaining 6 respondents (2,20 %) respondents who only have family members/dependents of 1 person.

Analysis of respondents by age group aims to distinguish whether respondents are in the productive or non-productive age group. In this study, it is assumed that the productive age group is from 18 to 50 years old. Less productive are those over 50 years old. Based on the data processed, it appears that the respondents were productive age of the total respondents or as many as 79 people (28,94 %) of the 273 respondents studied. The remaining 24,91 % or 68 people from the total respondents are of less productive age. Judging from the level of formal education ever taken by the respondents, the largest number of respondents were respondents who did not finish elementary school at 24,91 % or 68 people, followed by the level of elementary education with a total of 115 people or 42,12 % of the total respondents. At the junior high school level with the number of 51 people or 18,68 %.

While the smallest are respondents with high school education level and above which amounted to 14,29 % or 39 people. Meanwhile, if viewed from the informal education that has been taken by the respondents, then of the 273 respondents who became a sample of the study, there were 13.55 % (37 people) who had attended informal education and the remaining 236 respondents or 86,45 % who never attended informal education. When viewed from the level of education (both formal education and informal education), it is always directly related to the ability to read and write. Of the 273 respondents, there were 56 respondents or 20,51 % who could not read and write and 79,49 % of respondents or 217 people who were able to read and write. Because there are still many respondents who cannot read and write (illiteracy), it is positively correlated with the ability to master the national language (Indonesian). Of the 273 respondents, there were 47 (17,22 %) respondents who were unable to use Indonesian fluently and the remaining 82,78 % (226) respondents who are able to use Indonesian fluently.

The level of education they have is thought to be related to the main job of the respondents. Of the 273 respondents who were selected as sample members in this study, there are 57,88 % or 158 respondents whose main occupation is fishing, as many as 30 people (10,99 %) respondents work as farmers, while 6,23 % (17 people) and 23,81 % (65 people) of the total respondents who work as traders and artisans/services. For respondents who do not have a main job or alternative job at all as many as 133 people or 48,72 % and there are 9 people (3,30 %) consider that the work of civil servants choose as a job alternative. The low level of education and skills so as to access better job opportunities is relatively difficult. With difficulty accessing work more relative will affect the level of family income. Of the total respondents selected in the study there are 20,51 % or 56 respondents have an average income per family member of the highest below Rp. 1,000,000 per month, as many as 62 respondents (22,71 %) who have an average family income of Rp. 1,000,000-Rp. 2,000,000 per month. Furthermore, 35,16 % of respondents who have an average family income of over Rp 3,000,000 per month. It shows that 56 families of respondents who are at the poverty level.

Based on the figures and descriptions above can be interpreted, that their ability to get out of poverty is relatively very difficult. In this case, income (results of operations), low skills and education are an inseparable link. Both are interconnected and have influential. According to Jalaludin Rachmat (1999), suggests that low productivity, low income causes low education. Low education resulted in the quality of Human Resources (HR) is low. Low quality of human resources leads to low productivity and continues to do so. The view is said to be vicious circle or vicious circle of poverty.

# 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% (30-40 years) and 26.4% (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 poorpopulation 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 (VMPPI).

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 increasedincome 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 capitaltheory. 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 specificseasons 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 levelscan 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. Sincecoastal 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

#### 9 Hakim H, et al

essential needs for coastal poor communities, but the trade-offbetween 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 hopefor 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 notpursued 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 primaryoccupation 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 developinghuman 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.

#### **CONCLUSIONS**

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 poorcommunities 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 educationsystem 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 afair 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-beingof the coastal por.

# **REFERENCES**

Abdulai, A.M., and E. Shamshiry (2014) Theory and Practice on the Nexus between Poverty, Natural Resources and Governance. Springer Link.

- Alkire, S. (2007) Choosing dimensions: The capability approach and multidimensional poverty. CPRC Working Paper, 88, 1-25.
- Asen, R. (2002) Visions of Poverty: Welfare Policy and Political Imagination. East Lansing: Michigan State University Press.
- Austin, M.J.(2006). Understanding poverty from multiple social science perspectives. University of California, USA.
- Belzil, Christian, 2000. "Job Creation and Job Destruction, Worker Reallocation, and Wages," Journal of Labor Economics, University of Chicago Press, vol. 18(2), pages 183-203, April.
- Blank, R. (2010) "Selecting among anti-poverty measures, can an economist be both critical and caring?", Review of Social Economy, 61, 447-469.
  - Blau, F. & Kahn, M. (2000) Gender differences in pay. The Journal of Economic Perspectives, 14 (4), 75-99.
- Bloemen, Hans and Elena Stancanelli, (2001), Individual Wealth, Reservation Wages, and Transitions into Employment, Post-Print, HAL
- Bradshaw, T.K. (2006) Theories of Poverty and Anti-Poverty Programs in Community Development. Rural Poverty Research Centre (RPRC) Working Series No.06-05 Oregon StateUniversity and University of Missouri.
- Darling, R. (2002) Partnership models in human services: Sociological foundations and practices. New York, NY: Kluwer Academic/ Plenum Publisher.
- Davis, P.; Sanchez-Martinez M., (2014) A review of the economic theories of poverty, National Institute and Social Research. Discussion Paper, No. 435.
- Downes, A. (2010) Poverty and its Reduction in the Small Developing Countries of the Caribbean. Paper presented at Conference on "Ten Years of 'War Against Poverty'", Chronic Poverty Research Centre, University of Manchester, United Kingdom, September 8-10.
- Figart, M. & Power, M. (2002) Living wages, equal wage: Gender and labor market policies in the United States: New York, NY: Routledge.
  - Frerer, K. and Catherine Vu(2006). An Anthropological view of poverty. University of California, USA.
  - Ghatak M. (2014) Theories of poverty traps and Anti-poverty policies. London School of Economics
  - Hurst, C. (2004) Social inequality: Forms, causes and consequences. New York, NY: PearsonEducation Inc.
- Jung, S. Y., and Smith, R. (2007) "The economics of poverty: Explanatory theories to inform practice", Journal of Human Behavior in the Social Environment, 16(1-2), 21-39.
  - Lewis, O.(1966) The Culture of Poverty. Vilnus University Journals; Vol 215. No. 4 pp 1-25.
- McIntyre, L. (2002) The practical skeptic: Core concepts in sociology. Mountain View, CA: Mayfield Publishing Co.
  - Morazes, J. and Pintak, Indira(2006). Political perspectives on poverty. University of California, USA.
- Rank, M. R., Yoon, H., & Hirschl, T. A. (2003). American poverty as a structural failing: Evidence and arguments. Journal of Sociology and Social Welfare, 30(4), 3-29
  - Rank, M. (2004) One nation underprivileged: Why American poverty affects us all. New York, NY: Oxford Press.
- Richardson, J.A., and London, J.K.(2007) Strategies and Lessons for Reducing Persistent Rural Poverty: A Social-Justice Approach to Funding Rural Community Transformation. Journal of Community Development

Society; Vol 38, No.1.

Sameti, M., Esfahani, R.D., and Haghighi, H. K. (2012). Theories of Poverty: A Comparative Analysis, Kuwait Chapter of Arabian Journal of Business and Management Review; Vol. 1, No.6

Shaffer, P. (2008) "New Thinking on Poverty: Implications for Globalisation and PovertyReduction Strategies". Real World Economic Review: Issue 47.

Turner, K, and Amanda, L(2006). Psychological theories of poverty. University of California, USA.

Wheeler, S. C., & Petty, R. E. (2001). The effects of stereotype activation on behavior: A review of possible mechanisms. Psychological Bulletin, 127(6), 797-826. https://doi.org/10.1037/0033-2909.127.6.797

Wolf, J.P (2006). Sociological theories of poverty in urban America. University of California, USA.

World Bank(2016). Poverty in rising Africa; Africa Poverty Report, Washington, D.C, USA.

#### **FINANCING**

No financing

#### **CONFLICT OF INTEREST**

The authors declare that there is no conflict of interest

## **AUTHORSHIP CONTRIBUTION**

Conceptualization: Haeriah Hakim; Muhammad Idrus Taba; Haris Maupa. Data curation: Haeriah Hakim; Muhammad Idrus Taba; Haris Maupa.

Formal analysis: Muhammad Idrus Taba; Haris Maupa. Acquisition of funds: Muhammad Idrus Taba; Haris Maupa.

Research: Muhammad Idrus Taba; Haris Maupa. Methodology: Muhammad Idrus Taba; Haris Maupa.

Project management: Muhammad Idrus Taba; Haris Maupa.

Resources: Haeriah Hakim; Muhammad Idrus Taba; Haris Maupa.

Software: Haeriah Hakim.

Supervision: Muhammad Idrus Taba; Haris Maupa. Validation: Muhammad Idrus Taba; Haris Maupa.

Display: Haeriah Hakim.

Drafting - original draft: Haeriah Hakim; Muhammad Idrus Taba; Haris Maupa.

Writing - proofreading and editing: Haeriah Hakim.