

The Neighborhood Reinforcement Method Development Model for Improving Community Socio-Economic Conditions during the Covid-19 Pandemic

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ABSTRACT

The Covid-19 pandemic has an impact on all sectors including the labor sector. Over the past year, Indonesia's unemployment has increased due to the sluggish economic conditions and the resulting layoffs. Moving economic activities in the neighborhood around the place of residence could be one initiative to break the poverty chain. This study aims to formulate a model that effectively strengthens the environment in meeting basic needs. This research's object is the subsidized and non-subsidized housing community in Bulan Terang Utama, Malang City. This research used a qualitative research method by looking at the problems and real conditions. The findings indicate that the most effective model for strengthening the environment is the one that meets basic needs through food barns. The aid providers are residents in the local environment who use promotion/cooperation. The mechanism for providing assistance and the intensity of food aid distribution are carried out by observing the cash storage conditions of the food storage and voluntary management.

Keywords: Neighborhood Reinforcement; food barn; development model.

1. INTRODUCTION

COVID-19 pandemic has a domino effect on various sectors, including the social, economic, and financial sectors. The economic sector most affected by COVID-19 is the household sector, in addition to transportation, tourism, trade, health (Susilawati, 2020). The impact of COVID-19 with the existence of physical distancing and

large-scale social restrictions (PSBB) in several areas has shifted the company's operational patterns (BPS, 2020b). However, 58.95 percent of companies still carry out activities as usual. Other companies continue to operate by implementing work from a home pattern for some of their employees. Some are still running by reducing their production input capacity; even 8.76 percent of companies stop operating. It will create unemployment problems due to limited fields and job opportunities.

As of February 2020, Indonesia's unemployment increased by 0.88 percent or 60 thousand people in the past year. So, in February 2020, the number of unemployed people in Indonesia will be 6.88 million (BPS, 2020a). The improvement of unemployment is consistent with the International Labor Organization's (2020a) statement that the COVID-19 pandemic will cause massive unemployment, especially job losses for young people. Due to insufficient employment opportunities to absorb new workers in the International Labor Organization (2020b) labor market. The same thing happened in Bandung, West Java, also written by Supriatna (2020), including the increase in unemployment and poverty.

The impact of the Covid-19 pandemic, apart from layoffs, is an obligation to maintain distance. Acemoglu et al. (2020) stated that isolation is an effective way to limit the number of deaths from COVID-19 and economic losses. Of course, when there is a colleague who is exposed to COVID-19, the individual must self-isolate. It means that during independent isolation, individuals who work in the formal sector can still do work by working from home. However, individuals who work in the informal sector will lose their income because they do not work. Moreover, most Indonesian workers, 56.50 percent in February 2020, worked in informal activities (BPS, 2020a). It means that informal workers who carry out self-isolation can lose income to decrease their purchasing power. Therefore, it is necessary to strengthen the environment, not only from the government but also from the surrounding community.

The strengthening of the environment includes efforts to maintain economic stability and food security in households. The efforts made do not have to be in an enormous scope but can be started from the smallest degree, namely the family. One measure that can be done is to increase public awareness to help each other to create social solidarity and harmony between communities (Supriatna, 2020).

This environmental strengthening, of course, must be carried out in areas with high poverty levels. The number of poor people in East Java in March 2020 reached 4,419.10 thousand people (11.09 percent). On the other hand, East Java is the province with the second-highest number of Covid-19 cases after DKI Jakarta, with 41,417 points (Task Force for Handling COVID-19, 2020). Based on this phenomenon, this study aims to formulate a useful model in strengthening the environment of the social and economic sectors, especially in fulfilling food needs in the Housing Sub-District of the Main Bright Moon of Malang City.

2. LITERATURE REVIEW

2.1 Poverty in Several Countries

Poverty reduction in Malaysia is carried out through increasing vocational education (having specific knowledge and skills) with a pro-poor tourism approach (Ab. Hadi, 2013). There is also a need for financial support, meaning that there must be cooperation with external parties and government policies' synergy. In contrast to China, according to Qi and Wu (2016), the most significant factor affecting child

poverty in urban areas is caused by family hukou [1] (data collection). Therefore, it is necessary to eliminate structural barriers in realizing children's fundamental rights (nutrition, water, sanitation, health, education, information, participation, and protection) to achieve political poverty alleviation goals.

In developing countries, agricultural sector production, foreign direct investment (FDI) and foreign assistance [(social infrastructure aid (SIA), investment aid (IA), and agriculture-forestry-fishing aid (AFFA)] have a positive and statistically significant impact. Against poverty reduction and food security (Dhahri and Omri, 2020). Furthermore, Magombeyi and Odhiambo (2018) reveal that foreign direct investment (FDI) influences poverty reduction in South Africa. Meanwhile, in Tanzania, Magombeyi, and Odhiambo (2019) demonstrate that poverty alleviation challenges are due to high unemployment, especially among young people, lack of skills, insufficient agricultural financing, and high population growth. Furthermore, Magombeyi and Odhiambo (2019) emphasize that poverty in households is caused by Low education of the head of the family, meaning that education has the primary control in poverty in Tanzania.

Agrawal (2007) states that the increase in government spending in the social sector contributes significantly to poverty alleviation in Kazakhstan. This is because part of the revenue from oil is used to fund pension security programs and social protection for the community. Besides, regions with higher growth rates tend to show more rapid poverty reduction. Different results are displayed by You et al. (2020) that technology has a crucial role in reducing poverty rates in sub-Saharan African countries. Zakat and Sadaqah help in reducing poverty levels in Nigeria Raimi et al. (2010).

2.2 The Impact of Covid-19 on Socio-Economic Conditions

COVID-19 has an impact on various sectors throughout the country. In the San Francisco Bay Area, Martin et al. (2020) argued that COVID-19 causes massive economic shocks. If there was no social protection system, many households are forced to use their savings (especially in countries with weak social protection systems), leaving the population much more vulnerable to other shocks. Saving and household consumption fell significantly, and the average recovery time for individuals was almost one year (with a simulated 3-month lockdown). However, if the state has strong social protection guarantees, such as unemployment insurance, this will reduce the crisis's amplitude and duration. Under the 3-month crisis period scenario, the average recovery time is around 6.7 months, depending on community conditions.

Another impact of the COVID-19 is the work pattern that must be done at home to break the chain of spreading the virus. Working from home (WFH) risks exacerbating pre-existing inequalities in the labor market if not regulated effectively. Thus, it is necessary to have policies in the form of income support (in the short term) and human resource intervention (in a long time), which have an essential role in the future (Bonacini et al., 2020).

2.3 Poverty Measurement Dimensions

Various approaches are used to define poverty, namely the basic needs approach, the capability approach, the human development approach, and the multidimensional approach to poverty (Handley & Sharma, 2009). Furthermore, Pham et al. (2020) wrote that poverty is measured by income indicators and other indicators such as education, health, housing, essential services, and durable asset ownership. From the research

conducted Pham et al. (2020) stated that the poverty alleviation approach in Vietnam that is carried out tends to lead to overlapping financial activities and inefficiencies in the use of resources and policy implementation and low monitoring. This means that the approach to poverty reduction is carried out in one dimension and requires support from other sizes. Different things are expressed by Fernandez and Kulic (2020), that subjective welfare is influenced by perceptions of economic conditions outside of labor market factors and other objective conditions.

The Organization for Economic Co-operation and Development (OECD) identifies poverty through 5 dimensions (OECD, 2001), including the economic size, the human dimension, the political dimension, the socio-cultural dimension, and the protection dimension. Each of these dimensions has its variable. In more detail, it can be described in the following explanation:

- a. Economic dimension (ability to earn income, consume, and own assets) □
- b. Human Dimension (ability to access health level, access education level, access nutrition, and access protection)
- c. Political Dimension (Ability to obtain human rights, voice their opinions, political freedom, and participate in political activities)
- d. Socio-cultural dimension (level of prestige, norms, and social status)
- e. Protection Dimension (one's ability to survive when there is economic turmoil, one's ability to survive when there is a natural disaster, and one's ability to deal with conflict)

Additionally, there are also several poverty measurements from several dimensions, according to Wang (2018), including:

- a. The Standard of living comprises house conditions, house size, household consumption, transportation condition, drinking water condition, and electricity consumption).
- b. poverty line
- c. State economic income (agricultural area, benefits from industry, benefits from labor economy, and subsidies)
- d. Ability to work (number of people working in the family, health status, and educated workforce)
- e. Social security (harvest insurance and health insurance)
- f. Impact of social assistance

Based on several statements above, poverty measurement is carried out with a multidimensional standard, not only depending on the income factor. In line with this, social and political factors play an essential role in access to justice for the community. These factors make poor people demand more inclusive and non-discriminatory policies (Tucker et al., 2012).

3. METHODOLOGY

This study used a qualitative method with a case study approach. In this approach, researchers understand the problems that have occurred by extracting and gathering information that is then processed to solve the problem (Creswell, 2013). This research was conducted at the Bright Main Subsidized Housing (BTU), Malang City. The data used in this study are primary. Primary data collection was carried out through in-depth interviews with food barn managers and business actors in the BTU floating market. Furthermore, the data were analyzed according to the model of Miles & Huberman

(1984), which followed several stages, namely the process of data reduction, data presentation, and verification.

4. RESULT AND DISCUSSION

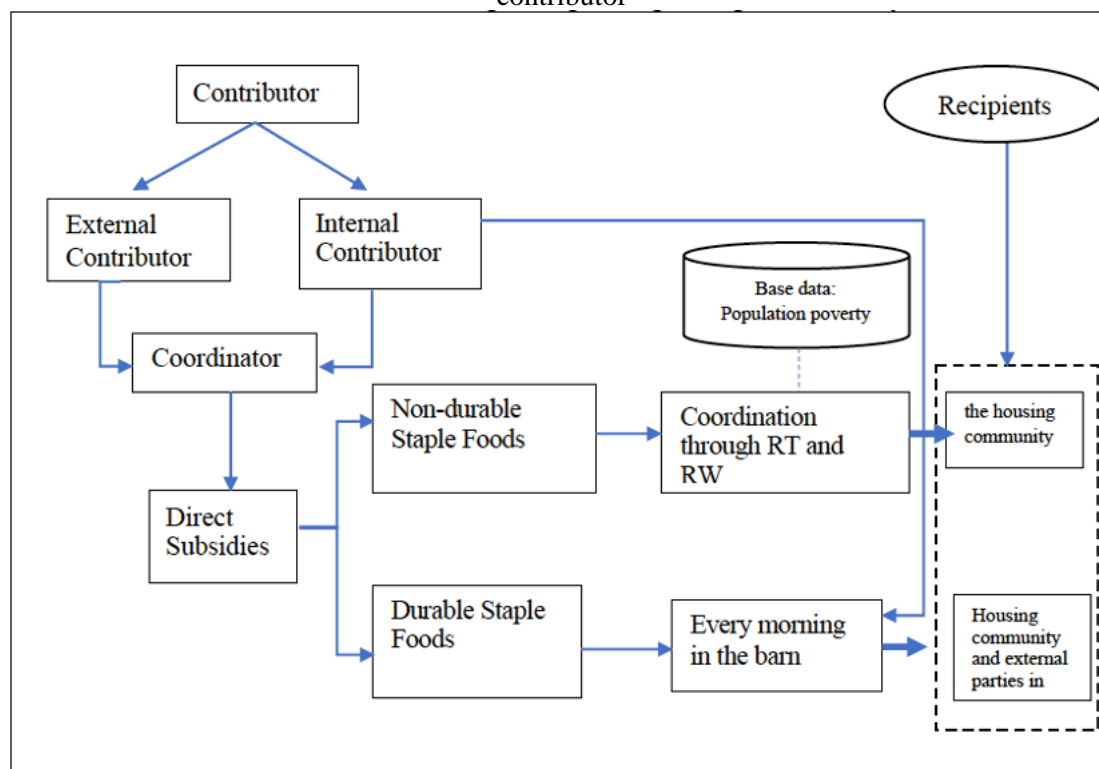
Poverty alleviation designs have been carried out in all countries, one of which is in China. Wu et al. (2020) designed a poverty alleviation model based on the innovation of a smart service model based on geomatics and big data, conducted displays, multiterminal collaborative monitoring, and accurate poverty alleviation recommendations. This model/architecture's advantages are that it is more effective in recommending policies for poverty alleviation assistance, increases the efficiency of collecting poverty alleviation files, shortens the period for collecting poverty alleviation archives, and improves storing methods and accessing poverty alleviation files.

Furthermore, Magombeyi and Odhiambo (2019) state that poverty reduction policies in Tanzania are categorized into three clusters: (i) increasing income and economic growth; (ii) increasing access to essential services; and (iii) enhancing institutional capacity, accountability, and governance issues. Furthermore, Dewi et al. (2018) stated that poverty reduction in Indonesia could be made through providing credit at low-interest rates, including for SMEs, price stabilization; provision of capital for the private sector; and prudent monetary policy. Similar to Tanzania, poverty reduction policies in Botswana, according to Magombeyi and Odhiambo (2017), are divided into three categories: (i) Increased income and livelihoods of the poor; (ii) infrastructure development, especially in the provision of essential services; and (iii) short-term assistance targeting the poor and vulnerable through social welfare programs.

Poverty reduction policies are generally allocated to areas with specific considerations, one of which is the community's economic condition. There are several subsidized housing in urban areas, one of which is the Terang Bulan Utama (BTU) Housing. The housing subsidized Terang Bulan Utama (BTU) consists of 5 supported blocks, one non-subsidized block, where each RT consists of 2 reinforced blocks and one non-subsidized block. The subsidized block is dominated by middle and lower-middle households, while the non-subsidized block is the upper-middle household with a house price that is twice as expensive. Besides, the BTU residential area is also close to the residents' villages, with various characteristics. Additionally, Indonesia's economic condition is declining due to some people who have lost their jobs and support, creating this strengthening environment. □ □

Based on some of the study results either in Indonesia or in other countries, the model gains in housing subsidies BTU environment is as follows :

Figure 1.
Model Environment Strengthening: Strengthening Food Security Line of the external contributor



Source: thoughts, 2020

Based on the schematic drawing of environmental strengthening in BTU subsidized housing, a detailed explanation is as follows:

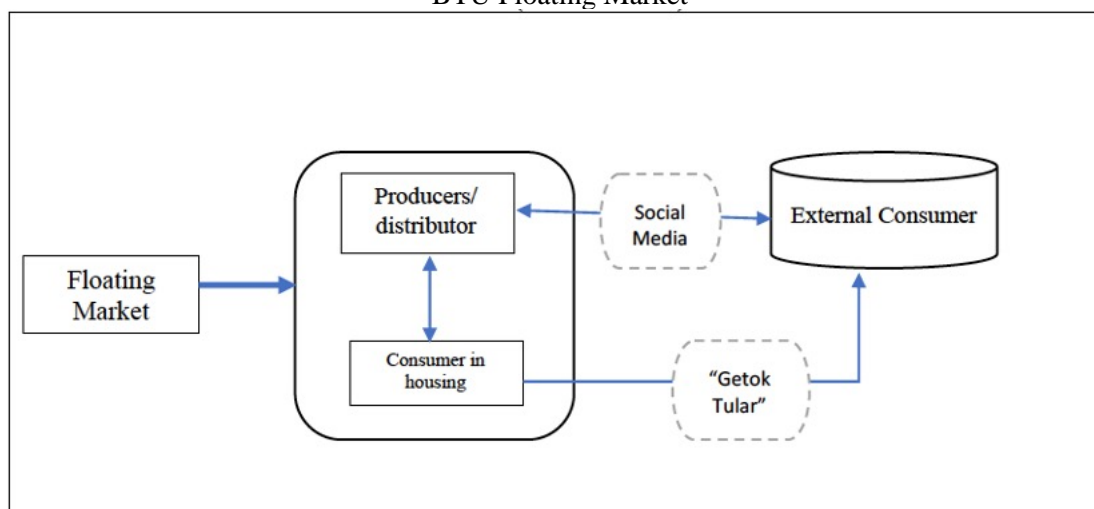
- a. Contributors to the environmental strengthening model come from internal and external parties in the BTU housing area of Malang City. Information on this contribution in strengthening the environment is carried out through dissemination to BTU housing and promotion residents, or collaboration, through social media to external parties. External parties with social capital (trust, network) with managers can contribute according to their ability. Donations given by external and internal BTU parties are incidental, do not have to be made regularly, so they are not coercive. The donations given can be in the form of cash or goods (basic needs) and channeled through the manager or distributed directly to the food barn (especially for non-perishable staples).
- b. Contributions received by the manager are then spent in the form of durable staples and non-perishable staples. Durable staple foods such as rice, sugar, oil, eggs, and instant noodles are distributed at specific periods in certain conditions (for example, when there is a request from the RT) specifically for BTU residents housing who need assistance (poor people). Meanwhile, the manager purchased non-perishable staples (such as vegetables, tofu, tempeh, fish, and chicken) every morning. Then, the packaging is carried out by the joint manager of BTU housing residents (volunteers). Furthermore, it is placed in a food barn to be distributed to recipients.

- c. Distribution of perishable staple foods is carried out in the food barn every morning. The recipients of this assistance are the BTU housing community and external communities free to take as needed.

This model of strengthening the environment through strengthening food security is a short-term solution offered to the community. The hope is that people who are less able and need can optimally take advantage of this assistance. In the future, it is hoped that the community who is currently the recipient can become one of the contributors to strengthening the environment. Furthermore, the scheme through the strengthening of Local Community Business Consumption in the BTU Floating Market is as follows.

Figure 2.

Environmental Strengthening Model: Pathways to Strengthen Local Community Business in BTU Floating Market



Source: thoughts, 2020

The scheme's image for strengthening Local Community Businesses in the BTU Floating Market can be seen that the floating market is integrated for the community in BTU housing by forming a community. To strengthen the community and improve online market traders' welfare, the online market merchant community needs tremendous support (Qurrata et al. 1, 2020), such as developing a Whatsapp group, which functions to update, offer, and conduct transactions (online market). This online market, which is known as the floating market, is due to the large number of residents who produce goods or services. The goods and services delivered and offered range from various culinary products; fashion; multiple types of necessities; and services such as delivery, motorcycle taxis, salons; massage; and sewing. Consumers in this floating market apart from the internal BTU housing community, also the external community. The producers also offer their goods and services through social media. Satisfied consumers also help provide goods and services to colleagues or relatives through "word of mouth." Getok tular is a term in Javanese, which means disseminating information by word of mouth. Even though it looks trivial, this word of mouth model is quite useful in introducing a product.

5. CONCLUSION

Sluggish economic activities and conditions due to COVID-19 have caused the turnover of several community businesses to experience a decline, even bankruptcy. Besides, people who lose their jobs also encounter difficulties, including consumption. From this phenomenon, the researchers provided a scheme to strengthen the environment through 2 channels, namely the Strengthening Pathway for Food Security and the Path for Strengthening Local Community Business in the BTU Floating Market. The path of strengthening food security is a short-term solution to decreasing or losing community income. Meanwhile, in the long term, steps can be taken through the Line of Strengthening Local Community Business in the BTU Floating Market. This scheme encourages people to consume domestic products, especially neighboring products, to increase economic excitement.

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