

# The Welfare of Slum Areas in Bandung City Based on Consumption Expenditures Patterns

(Case Study: Slum Areas Babakan Surabaya, Kiaracondong, Bandung City)

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**Abstract**—The purpose of this study was to get a picture of the level of welfare of the slum areas of Bandung through its consumption spending patterns. The study was conducted in Babakan Surabaya in the District of Kiara Condong. Babakan Surabaya is one of the villages in the District of Kiara Condong and is a densely populated area. Most residents occupy houses whose buildings are prone to fire, not far from each other, lack of quality waste disposal facilities, drainage, and existing clean water networks. This condition shows that this area is included in the slum area. So that low income people tend to choose to live in this region. Our Observation show that the people can buy luxury goods such as hand phone. Babakan Surabaya, which is located close to a shopping centre, makes it easy for people to do their consumption expenses and follow the consumption patterns of higher-income people. According to Samuelson, consumption patterns are also influenced by environmental factors. Household consumption patterns are one indicator of household / family welfare. It is therefore important to discuss how people's consumption patterns in Babakan Surabaya describe their level of welfare. This study uses a quantitative descriptive research method using the Lingkert Scale in its measurement. The Lingkert scale is used because it can assess a problem based on the opinions / perceptions of respondents who are then given a score. The results of the study showed that the people of Babakan Village in Surabaya had a low level of welfare. This condition is based on consumption patterns where the biggest allocation of income is to buy food, such as rice and vegetables. Purchase of durable goods is only to replace the old one and generally buy not in cash but in instalments. For education and health, they still use government facilities so spending on education and health is still low. While the amount of savings is very small and not fixed. They also do not specifically allocate their income to recreation and even use their free time to work to increase their income. Purchasing some luxury goods does not reflect a better level of welfare. But it shows the process of demonstration effect because of its location in the city centre.

**Keywords:** *family welfare, consuming*

## I. INTRODUCTION

Family welfare is a dynamic condition of the family by fulfilling all material physical, mental, spiritual and social needs, which allows the family to live properly according to their environment and allows children to grow and develop and

obtain the protection needed to form a mental attitude and personality that is steady and mature as a quality human resource.

Bandung as the capital of West Java Province is the second largest city in West Java which has a poor population spread over 121 points in the slums of various villages, one of which is Babakan Surabaya in the Kiaracondong District. The poor are low income people below Rp. 448,902 / person (BPS Bandung Standard). Kiara Condong Sub district, has a number of poor population of 1,370 (Households), 7,009 people, 2,445 people (has a Jamkesmas card), 4,564 people (does not have a BPJS card)), so the total poor population is 34% of the total population of Babakan Sub-District Surabaya as many as 20,449 people.

Babakan Surabaya is a densely populated area and included in a slum area, where people's income is still low. On the other hand, Babakan Urban Village, Surabaya, which is located in the centre of Bandung, makes it easy for people to reach shopping centres and emulate the consumption patterns of higher-income people. A person's consumption patterns can be influenced by the environment, surroundings and environmental habits [1].

Household consumption patterns are one indicator of household / family welfare. Therefore it is important to discuss how the consumption patterns of the people in Babakan Surabaya to describe their level of welfare.

Ferguson states that family welfare can be divided into two types namely: family economic well-being) and family material well-being. Family economic well-being, measured in fulfilment of family input (income, wages, assets and expenses) while material welfare is measured from various forms of goods and services accessed by the family [2].

The concept of well-being is closely related to the concept of needs, with the fulfilment of needs, one can already be considered prosperous. Because the level of need is indirectly in line with welfare indicators. In a family to meet the needs closely with the amount of income generated from work and issued as a form of consumption to achieve welfare. As research by Wagle [3], states:

“Income and consumption are straightforward and extremely useful measures of economic welfare, as they capture the means by which individuals and households can achieve human well-being. Income and consumption tend to highly correlate with each other because consumption derives from income and income is essential for consumption.”

BKKBN dividing family welfare into meeting three needs namely: (1) basic needs consisting of food, clothing, shelter & health variables; (2) social psychological needs which consist of education, recreation, transportation, internal and external social interactions; (3) development needs consisting of savings variables, special education, access to information.

Family welfare based on the BKKBN (National Family Planning Coordinating Board) criteria is developed into five indicators which include keluarga Pra-Sejahtera, Keluarga Sejahtera-1, Keluarga Sejahtera-II, Keluarga sejahtera-III, and keluarga Sejahtera-III plus.

From the previous description it is known that the welfare of the community can be illustrated from the pattern of consumption expenditure. The consumption pattern can be said as a condition of the tendency towards family expenses that are used to meet needs with consideration of the environment and the cultural life of the community [4]. Consumption patterns are used as a standard of living. Where is the standard of living in the form of a standard of living that is appropriate and reasonable or appropriate as the lives of others? The standard of living that must be met is to meet all needs in the form of goods and services. Samuelson divides consumption into three categories: durable goods, non-durable goods and services [1]. The service sector is growing in importance because basic needs for food are being met and health, recreation and education demand a greater share of the family budget.

According to BPS is that expenditure for consumption is used for two things, namely: (1) consumption expenditure for food, and; (2) non-food consumption expenditure. The same is stated by Dumairy who allocates public consumption into two groups of uses [5], namely: expenditure on food and expenditure on non-food.

The consumption patterns of each household differ from one another. Where no two families spend their income on their consumption in the same way. Consumption patterns can be identified based on the allocation of their use both in trends that lead to food or non-food elements [6]. The tendency to consume people is influenced by various factors. The factors that influence consumption patterns include the following: (1) The level of community income, namely the level of income (income = I) can be used for two purposes: consumption (consumption = C) and savings (saving = S), the size of the income accepted someone will affect consumption patterns; (2) consumer tastes, everyone has different desires and this will affect consumption patterns; (3) The price of goods, if the price of an item has increased, the consumption of said item will decrease; (4) Level of education, high or low education will affect the behaviour, attitudes and consumption needs; (5) The number of families, the greater the number of families eating, the more needs must be met; (6) Environment, environment and environmental habits greatly affect people's consumption behaviour [7].

## II. METHOD

This research is a descriptive study in which the measurement of variables uses a Likert scale. This Likert scale requires identification relating to the degree of agreement or disagreement with the various statements contained in the questionnaire. With a Likert scale, we can find out the respondents' perceptions related to the consumption expenditure pattern of the poor. Based on this consumption pattern, a picture of the welfare level of the community is obtained. However, before an analysis is carried out, a validity test is performed to determine the validity and reliability of the existing statements.

## III. RESULTS AND DISCUSSION

This study uses variables, namely expenditure on food, non-food, income, savings, and Demonstration Effect. All of these variables will be tested for validity and reliability so that the results in this study can be justified. The results of this validity test are as shown in the following table:

TABLE I. VALIDITY TEST ON THE QUESTION OF CONSUMPTION PATTERN IN BABAKAN SURABAYA, KIARACONDONG

Statement	Code	R Count	R Table	information
1	R1	0,733	0,195	Valid
2	R2	0,947	0,195	Valid
3	R3	0,197	0,195	Valid
4	Pe1	0,745	0,195	Valid
5	Pe2	0,855	0,195	Valid
6	Pe3	0,940	0,195	Valid
7	Pe4	0,916	0,195	Valid
8	Pe5	0,919	0,195	Valid
9	Pe6	0,211	0,195	Valid
10	J1	0,930	0,195	Valid
11	J2	0,892	0,195	Valid
12	J3	0,960	0,195	Valid
13	J4	0,961	0,195	Valid
14	J5	0,666	0,195	Valid
16	T1	0,907	0,195	Valid
17	T2	0,703	0,195	Valid
18	W11	0,750	0,195	Valid
19	De1	0,826	0,195	Valid
20	De2	0,805	0,195	Valid

Source: Data Processing, 2019

Table 1 shows that the respondents' answers in this study were all valid. This is because the calculated value is greater than R table. So that the respondent's answer can be used as a basis for analysis by the researcher.

This reliability test is intended to find out the statement items that have been compiled by reliable researchers or not. A variable is said to be reliable if it has a Cronbach Alpha greater

than 0.630. This value is greater than R table worth 0.195 so that the statements in this study are reliable.

TABLE II. RELIABILITY TESTS

Questionnaire	Total question	Cronbach's Alpha	R Table	Information
Consumption pattern	20	0,548	0,195	Reliabel

Source: Data Processing, 2019

The results of data processing it is obtained that the people of Babakan Surabaya Village still prioritize food needs compared to other needs. Where 70% of income is allocated for food needs, especially food. Consumption of food is also diverse, ranging from rice, vegetables, eggs and meat and fruits. The Babakan Surabaya people's consumption patterns for food still prioritize consumption of rice and vegetables, meat and eggs as a source of protein only ranked 4th. In fact they do not allocate their income specifically to buy fruits.

Based on the description of the consumption patterns of the Babakan Surabaya community on food, it can be concluded that the level of welfare of the people is still low. The level of welfare that is still low is also influenced by the level of income, number of family members and types of work. Based on the survey results it is known that the average respondent's income is generally in the range of Rp. 1,000,000 to Rp. 3,000,000. Where the types of work are mostly non-permanent workers with a number of 6-7 family members. Based on this condition it is natural that the allocation of income is still largely for food, especially rice.

Meanwhile, the consumption pattern for non-food items, namely durable goods, in general they still allocate income for these goods is still very little. The Babakan people of Surabaya buy durable goods in the form of household equipment, furniture and vehicles. Purchasing household appliances only replaces damaged ones as well as furniture. And in general they buy not in cash but in instalments. For vehicles that are generally bought in the form of motorcycles. Babakan Village Surabaya is a dense settlement in Bandung, so the road is a narrow alley, so it will be difficult to park the car. But because of the low income level, it does not allow them to have a car. The pattern of purchases of vehicles is still in instalments. From this description of consumption patterns for durable goods, it can be concluded that the level of welfare of the Babakan Surabaya community is still low.

Spending on services is the allocation of income for education and health services. The survey results show that the Babakan Surabaya people's income allocation for services is still very low. This condition is reinforced by the statement that they tend to send their children to public schools at a lower cost. In general they send their children to high school level. The only health insurance they have is KIS (Kartu Sehat Sehat Indonesia) which is free of charge. And in general they have Surat Keterangan Tidak Mampu (SKTM). By having this SKTM, they get facilities and convenience in obtaining education and health services. This condition causes consumption expenditure for education and health to be low. From the description of consumption patterns on education and

health it can be concluded that the level of welfare of the Babakan Surabaya Village is still low.

Savings patterns can also describe the level of welfare of a community. The higher the income level of a community, the greater the savings, showing the more prosperous the community. The allocation of income used to save from the Babakan Surabaya community is still very low and inconsistent. This means that sometimes they can save sometimes not. Depends on the income they earn. From the previous description obtained information that in general their work is as labourers with irregular income patterns. So that results in savings patterns that are not fixed as well. In addition, low income results in the amount of savings which is still very low. Based on the savings pattern it can be said that the Babakan Surabaya community is still of low welfare.

Another indicator to describe the level of welfare of a community is from the pattern of leisure use. The results of observations and interviews indicate that the people of Babakan Surabaya do not use their free time for recreation. This means they do not allocate income for recreation. According to them recreation an activity that is rarely done, even they use their free time to work to get additional income. They also don't allocate a budget specifically for recreation, because their income is very limited. Based on the pattern of use of his free time it can be said that the people of Babakan Surabaya are still of low welfare.

Another variable to describe the consumption patterns of the Babakan Surabaya community is through the demonstration effect. Demonstration Effect is the lifestyle of low-income people who follow the pattern of consumption of their higher-income environment. Babakan Surabaya's location in the city centre and the development of information technology facilitates the flow of information into its citizens which will affect the consumption patterns of its people. Then this information flow that resulted in a rapid demonstration effect process occurred in Babakan Surabaya. Although their income is limited they try to meet the needs of certain items that tend to be luxurious. For example the need for mobile phones that tend to be replaced following the latest model developments. Likewise with clothing and other durable goods. Expenditures on these items do not indicate that the level of welfare is better. But it shows the Demonstration Effect process.

Based on the description of consumption spending patterns, the level of community welfare in Babakan Surabaya is still low. Babakan Surabaya Sub-District, is a densely populated area and entered into slums. The house they occupy is small compared to the number of family members so that they don't have room for family interaction. While the need for health can still be met even in a minimum standard. But they can still meet their minimum needs such as food, rice and vegetables.

#### IV. CONCLUSION

Based on the description above, several conclusions can be obtained, the Babakan Surabaya community allocates most of their income to buy food such as rice and vegetables. For durable goods, generally buy not in cash but in instalments. For education and health, they still use government facilities so spending on education and health is still low. Meanwhile, to

save the amount is still very small and not fixed. They also do not specifically allocate their income to recreation and even use their free time to work to increase their income. Its location in the city centre, resulting in a rapid demonstration effect process in this region. Based on the description of its consumption patterns, the level of welfare of the Babakan Surabaya community is still low.

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