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Causes and Effects of Low Income in Longsob

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Abstract:

While it has been known that poverty is a serious issue in almost every country, different countries have different levels of poverty issues. In the Philippines, there are several different issues in different areas pertaining to poverty. In Samar, particularly in Calbayog City, there are lots of barangays facing the issue of poverty. One of these areas is Longsob. The principal aim of this study is to determine the causes and effects of low income of households in Barangay Longsob, Calbayog City in the province of Samar, Philippines. This study aims to properly understand the causes of having poor income in Longsob resulting to many concerns affecting almost every household. This study was conducted to identify the most relevant interventions that could address the causes and effects of low income in the area. In order to achieve the conclusion, the researchers employed a methodological triangulation approach. We found that the concerns of households in the area are limited sources of income, lack of technical know-how in doing business, and lack of knowledge in producing by-products of coconut and rice. The researchers also found that the households need to have business literacy and livelihood training program to suffice the low income in the area. Interventions from the Philippine government and other institutions can greatly help the people in Longsob.

Keywords: *Poverty, Longsob, Income, Social, household*

Introduction: Poverty has been one of the main concerns of society. It encompasses many aspects and times manifest in lack of money. However, there is more to poverty than having not enough money at all. It is also associated to lack of education and other resources.

As stated by Goulden (2010), there are a number of causes of recurrent poverty, based on the interaction between people's incomes and the make-up of their households. Some of the direct and indirect explanation identified include: repeated broke spells of employment, including temporary contracts; working irregular hours; adult relationship beginning or breaking down; children being born into leaving households; and, intermittent health problems affecting employment and benefits.

As cited by Ordinario (2016), millions of Filipinos remained poor not because they are jobless, but because they have low incomes. Ordinario (2016), further cited that the World Bank lead economist Jan Rutkowski said that another cause of low income is underemployment, underemployed Filipinos consist of those in the informal sector, those who have contracts or those looking for additional sources of income. Moreover, Luo (2018) stated that despite the things that drive poverty reduction in the Philippines, there are still around 22 million Filipinos living below poverty line.

According to Fernandez (2016), the Philippine Statistical Authority Research and Development reported that Eastern Visayas became the poorest region in the Philippines in 2012 from being the seventh in 2006. Calbayog City is one of the areas in Eastern Visayas, Philippines where many low-income families reside. This is not the only concern of those who are on that status but a concern of the whole community and the country in general.

The government of the Philippines and other non-government organizations continuously create interventions to alleviate poverty. State universities and colleges (SUCs), such as Northwest Samar State University (NwSSU), are also mandated to extend their resources to uplift the lives of the people in the area of service. All these activities are directed towards community development which every Filipino hoped for.

Among the barangays in Calbayog City identified to have households with an average monthly income below threshold is Barangay Longsob. It is one of the adopted barangays of Northwest Samar State University which is also considered as its partner in community development. Although the problem of having low income has been identified through the conduct of Participatory Rural Appraisal in 2015. Still, the university finds it necessary to understand the root cause of its occurrence along with its effect by involving the community in the process in which the result will be the basis in determining the suitable intervention that NwSSU may make in addressing the problems leading to sustainable development. Hence, this study was conducted.

Poverty in Philippines: The face of poverty in the Philippines is undeniable. Though there are reports showing that poverty incidence in the Philippines is expected to fall, we, still cannot deny the fact that poverty is evident in different areas of the country. As cited by Albert & Vizmanos (2018), poverty is like a disease, not only carrying a stigma, but also requiring interventions given its harm. As reported by Mapa (2020), poverty incidence among population, or the proportion of poor Filipinos whose per capita income is insufficient to meet their food and non-food needs, is now estimated at 16.7% (from 16.6%) translating to about 17.7 million Filipinos living in poverty in 2018.

Longsob: Longsob is a barangay in Calbayog City in the province of Samar, Philippines. As cited in www.philatlas.com, the age group with the highest population in Longsob is 15 to 19 while the age group with lowest population is 70 to 84. Combining the age groups, those aged 14 and younger make up 35.13%, those 15 up to 64 years old constitute 58.07%, while those 65 years old and above constitute 6.80% of the entire population (www.philatlas.com, n.d.). Those people who are 15 to 64 years old are considered the workforce population. Philatlas.com further stated that “The computed age dependency ratios mean that among the population of Longsob, there are 60 youth dependents to every 100 of the working age population; there are 12 aged/senior citizens to every 100 of the working population; and overall, there are 72 dependents (young and old-age) to every 100 of the working population. The median age of 21 indicates that half of the entire population of Longsob are aged less than 21 and the other half are over the age of 21.”

Objectives of the study:

1. To understand the factors causing low-income occurrence in Longsob, Calbayog City.
2. Identify appropriate and relevant interventions that could address the problem.

Methodology: For the purpose of properly obtaining and validating the data, the researchers employed methodological triangulation approach. The researchers employed a qualitative approach known as focused group discussion (FGD) to explore the range of opinions/views participants that cannot be explained statistically. An open-ended guide questionnaire was created by the researchers. This questionnaire includes questions on sources of income, causes of having low income, and problems or effects resulting from having low income. To give more light to the data gathered, key informant interview was conducted. The researchers invited representatives from different sectors in the locale of the study such as business, women’s association, youth, barangay officials, senior citizen, religious groups, farmers’ association, professionals, Overseas Filipino Workers (OFWs), and Persons with Disabilities (PWDs). The researchers obtained a representative sample by using sound judgment. Hence, the following criteria were used to identify participants of FGD: at least five (5) years permanent residency and representative of a specified sector. Furthermore, before the end of the focus group discussion, the researchers conducted a recap of the questions and answers to properly validate the assertions of the sector representatives/participants-experts. The researchers also employed observation to validate the data provided by the participants during FGD. The observation was conducted through visits in the area from January to March 2019. The researchers then made use of quantitative and qualitative secondary data from the Participatory Rural Appraisal organized by NwSSU to compare the results and finalize the validation of the data.

The approaches used by the researchers paved the way for the researchers to understand the people and their community better. The sector representatives/participants-experts, with their particular knowledge and understanding about their own community provided insights on the nature of problems they are experiencing.

Results and Discussions: The average monthly income of the households in Barangay Longsob, Calbayog City does not show good status of majority of the households in the area. This is mainly due to cheap copra prices, lack of proper education, reliance on spouses' earnings, and poor irrigation system. These factors lead to poverty and malnutrition.

According to *Stand with Samar* (2018), Eastern Visayas is the second poorest region in the Philippines, and three of the provinces in the region are parts of the top 10 poorest provinces in the country: Eastern Samar (2nd), Northern Samar (9th), and Western Samar (10th). The fact that Samar, mostly referred to as Western Samar, belongs to poorest provinces in the Philippines show the great need for interventions to help the people.

Based on the collected data, the identified causes and effects are the following:

Table 1. Causes of Low Income

1. Lack of business education
2. There are limited sources of income which mostly came from copra and rice production.
3. The households mainly rely on the income of the head of the family
4. Seasonal copra and rice production
5. Lack of education on how to make by-products out of coconut
6. Lack of perseverance in maintaining to earn income (They will stop working once they earn money. They will work again once the income is exhausted.).
7. No other sources of income
8. Other members of the family are jobless.
9. There is a problem on irrigation system that affects the rice production.
10. Health concerns
11. Some of the out-of-school youths do not try to find jobs to help their family.

Table 2. Effects of Low Income

1. The expenses of a family are greater than their income particularly during inflation.
2. The plans of the households are not realized due to insufficiency of the income.
3. No capital to invest in business as other source of income
4. They can only buy limited food resulting to hunger and health issues such as malnutrition.

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5. No savings to be used for contingencies
 6. They resort to borrowing money once the needs arise.
 7. They continuously borrow money to sustain their needs
 8. Most of them were not able to finish their education.
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The researchers conducted a root-cause analysis during the FGD to know and understand the causes and effects of low income in the area. The analysis involved the identification of the issues, established the leading actors, and identified the products available in the community. The data gathered through this strategy helped the researchers establish other information and evidences needed to conceptualize a relevant program and propose solutions to the problems of the community.

Lack of proper education to do business is another major cause of poverty in the area as perceived by the participants. Most of the households have to choose either sending their children to school or to let them help provide the basic needs of the families. In the case of the families in Longsob, most of the able children opt to help provide the needs of their families as they see schooling as additional expense. The poverty situation in the area is serious. There are agencies trying to alleviate the seriousness of this problem but results are still not visible. Business education is the proper education to alleviate poverty in the area, however, without proper interventions, this will remain a vision.

According to Galang, (2018), more than 4 out of 10 Filipinos who are poor actually have jobs, but they continue to struggle with poverty because they are employed in poor-quality jobs. This is evidenced by the collected data by the researchers. As stated by Rutkowski (2015), poverty is primarily due to low earning capacity of the poor and their limited access to regular and productive jobs. Most of the household members in Longsob happen to have bad or poor-quality jobs. According to Rutkowski (2015), jobs are considered “bad” if they are low-paid and informal, and thus are not covered by labor regulations. Rutkowski (2015) added, jobs that are deemed as “bad” are associated with an elevated risk of poverty. Most of the household members rely on seasonal jobs such as copra and rice production, resulting to the lack of money to suffice the needs of their families (required expenses are greater than their income).

The seasonal copra and rice production posed as some of the main sources of income of the residents in Longsob. Copra is the dried meat or kernel of the coconut. Copra and rice production are the two main sources of income of the people in Longsob. As for farmers, copra and rice production greatly help them earn and provide for their families. But since the copra buying price is significantly getting cheaper, the farmers get low income. According to Arcalas (2018), the continuous decline in the domestic prices of copra was attributed to falling world prices of coconut oil due to vegetable oil glut. Since copra and rice productions are seasonal (quarterly production), the farmers have to wait in between harvest. The gap is weeks. The declining copra price made the farmers hopeless and very frustrated. The farmers stated that irrigation problem in Longsob is also a major contributor to their low income. Proper irrigation is needed for the rice fields. As stated by Cororaton et

al. (2018), appropriate amount of chemical inputs can be properly implemented in production if there is an adequate level of water moisture. The irrigation system provided by the local government needs to be repaired or restructured. As stated by Stuecker et al. (2018), irrigation can provide a potentially useful management tool to mitigate climate impacts on rice production. This irrigation system could have improved the income of the farmers in Longsob. During the rice production season comes another problem or rice price decline. Cororaton et al. (2018) stated, during the harvest season, palay supply surges and palay prices decline.

Since copra and rice production are the main sources of income of the residents in Longsob. They tend to have no perseverance in trying to find other sources of income while waiting for the quarter for harvest and production. This results to joblessness or unemployment. The obvious straight forward answer of how unemployment creates poverty through the loss of income resulting to many families left without sufficient incomes to meet living expenses (Hinteregger, 2017). Those who are unemployed primary workers in their families face greater difficulty as they carry the burden to earn money for themselves and their families.

With most, if not all, members of households having no jobs during the intervals of rice and copra productions, the members of the households tend to become malnourished since they cannot provide or afford nutritious foods. With little to no money to buy food for their families, they tend to survive on very limited food they have. As a result, malnutrition becomes more common. This now becomes a big problem because health concerns due to malnutrition make people have no capacity and energy to do jobs that are vigorous.

Average Monthly Income

The Northwest Samar State University (NwSSU) conducted a survey on family income in Longsob Calbayog City in 2017. As a result, As shown in Table 3, the average monthly income of families in Longsob is only two thousand five hundred seventy-seven pesos (Php 2,577.00) with an average of three (3) sources of income. This average monthly income is very low. According to Philippine Statistics Authority (2016), a family of five needed at least six thousand three hundred sixty-five pesos (PhP 6,365.00) on average every month to meet the family's basic food needs and at least nine thousand one hundred forty pesos (PhP 9,140.00) on average every month to meet both food and non-food needs.

Table 3. Average Monthly Income & Sources of Income

Average Monthly Income	Average No. of Sources of Income
Php 2,577.00	3.0

Source: Survey on Family Income in Brgy. Longsob, Calbayog City (2017)

Wealth Ranking

The researchers decided to look for the wealth ranking on Participatory Rural Appraisal (PRA) conducted by NwSSU in 2015. The results show that Longsob ranked fifth (5th) from the poorest barangays in Calbayog City.

Table 4. Wealth Ranking

Name of Barangay	Household Monthly Income	Rank
Brgy. Acedillo, Calbayog City	Php 1,000-2,000	5
Brgy. Alibaba, Calbayog City	Php 2,001-3,000	8.5
Brgy. Amampacang, Calbayog City	Php 1,001-2,000	5
Brgy. Anislag, Calbayog City	Php 2,000-3,000	8.5
Brgy. Bagacay, Calbayog City	Php 4,001-5,000	10
Brgy. Binaliw, Calbayog City	Below Php 1,000	1.5
Brgy. Dinagan, Calbayog City	Php 1,001-2,000	5
Brgy. Longsob, Calbayog City	Php 1,001-2,000	5
Brgy. Mawacat, Calbayog City	Php 1,001-2,000	5

Source: Participatory Rural Appraisal Results (NwSSU, 2015)

By the time the PRA was undertaken, the average household monthly income in Longsob was shown to be even lower than the results of the survey in 2017. This proves that life in the area is really hard and the earnings are really poor.

Social Status

The researchers also took data from the same PRA conducted by NwSSU about the social status of households in Longsob. The social status of households in Longsob was based on the participants' bases. The status categories were *rich*, *middle class*, *poor*, and *very poor*. These categories were then divided/identified by the participants into different bases such as real property/concrete houses, small business, small farming, labor, small house, and no permanent income. The status categories were identified from different zones in Longsob.

Table 5. Social Status

Status	Bases	Zone			Percentage
		1	2	3	
Rich	• Concrete house	2%	2%	1%	1.65%
	• Real Property				
Middle Class	• Real Property	5%	8%	10%	7.6%
	• Small Business				
Poor	• Small farming	46%	48%	44%	46%
	• Labor				

	• Small house				
Very Poor	• No permanent income	42%	47.2%	45.2%	44.8%
	• Children can't afford going to school				

Source: Participatory Rural Appraisal Results (NwSSU, 2015)

The percentage of considered rich people in Longsob is only 1.65%, middle class is 7.6%, poor is 46%, and very poor is 44.8%. It is noticeable that people in the area who are “very poor” don’t have permanent income. While it is also evident that the “poor” people in the area have earnings based on small farming and labor works, these are still not enough to support the entire household. This proves that the amount of earnings they get are still very much below the minimum threshold to suffice the needs of their family members.

The empirical study conducted by the researchers back the discussed perceptions and understanding of the poor in Longsob. The marginalization from economic development, psychological and physical health concerns are undeniable due to different socio-economic issues.

Conclusions: The researchers concluded that the main concern of the resident in Longsob, Calbayog City are *limited sources of income, lack of technical know-how in doing business, and lack of knowledge in producing by-products of coconut and rice* as the main causes of having low income. Business literacy and livelihood training programs are highly necessary to provide solutions to the causes and effects of low income in the area.

Limitations and future directions: Although this study showed many important findings, it was limited in the case of Longsob, showing that are still other areas that could lead to new researches. First, this study mainly focuses on the economic implications of low income. Second, the effects caused by malnutrition leading to illnesses was not profoundly discussed by the participants and were not studied profoundly by the researchers since it is not their field of expertise. This implies that further studies could be done in the area. The researchers believe that an in-depth exploration of causal mechanism is highly needed in the future. Also worth exploring are the practices of families when it comes to family planning and government interventions on poverty, and the reverse issue of entrepreneurship.

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