Strategy for Improving the Economy of Indonesian Betor (Motorized Pedicab) for Living

Irwan Sihoming⁴; Badaruddin²; Humaizi²

¹Master of Development Studies Faculty of Social and Political Science, Universitas Sumatera Utara, Medan, Indonesia

²Universitas Sumatera Utara, Medan, Indonesia

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Abstract

This research aimed to analyse the strategy for improving the economy of the Indonesian motorized pedicab (Betor) riders in facing the online transportation of the company CV. Bestari Transport Kota Medan. This is a descriptive research using the qualitative approach. Based on the research results, the economic impact in the midst of online transportation towards the betor of the Pedicab Members of the CV. Bestari Transport Kota Medan showed that the income of the pedicab riders had changed after the online transportation operated. Prior to online transportation, the income of the pedicab riders could fulfil their daily needs; in fact, the pedicab riders themselves could save part of their income (savings) which was, in a nominal value, approximately Rp.100,000 a day. However, after the existence of online transportation, the income of the pedicab riders had decreased dramatically, in which the nominal earned was only enough to meet daily needs, and it was even considered insufficient: with the nominal of Rp.30,000 a day; yet even lower. For this reason, three strategies for surviving were applied in order to continue for earning for living as well as fulfilling the basic needs of the pedicab riders’ families, namely the active, passive, and network strategies.

Keywords: Economic Improvement; Surviving Strategy; Riders of Medan City

Introduction

Technological progress is an absolute part of the dynamics of people's lives. In this era of globalization, mastery of technology has become a prestige and a progress indicator of a country. One form of technological development is transportation. Transportation comes from the Latin word "trans" which means "across" or "the other side", and "portare" which means "to carry", so transportation means to carry (something) across or to the other side, or from one place to another. Transportation can be defined as a business and activity of transporting or carrying goods and passengers from one place to another (Gunawan, 2015).

The existence of transportation is very important as a guarantee for carrying out various daily human activities. A concrete form of technological development in transportation is the emergence of motorized pedicabs. A motorized pedicab is a modification between a pedicab and a motorcycle. A pedicab is a three-wheeled human-powered transportation. In general, pedicabs use full human movement. This mode of transportation is different from other transportation, where the rider rides the
pedicab from behind, while the passengers or goods they transport are in the front; in other words, this pedicab uses human labor (Qoi’muddin, 2018). As a result of technological developments and the demands of society which were more flexible at that time, a mode of transportation that combined a pedicab and a motorbike emerged, or better known as "betor" (abbreviation for becak motor in Indonesian, or motorized pedicab in English).

A motorized pedicab, or what is often known as an "engine pedicab", is the term used in North Sumatra for an engine-driven pedicab. This motorized pedicab is a very popular mode of door-to-door travel. During its development, many means of transportation have begun to transform according to the times, such as trains or electric cars; even the newest ones are cars that can fly. However, in the midst of the increasingly modern means of transportation, in several areas in Indonesia, especially in the city of Medan, we can still find traditional means of transportation that still survive today, one of which is betor.

One of the reasons the pedicab was an option for some people in Kota Medan (Medan City) at that time was that not only could these vehicles pass through roads that were inaccessible to public transportation, there were also not many public transportation options. Pedicab also used a bargaining system, unlike other public transportation whose rates are fixed. Thus, the fare between one pedicab and another is sometimes different, even though the distance covered is the same, and it all depends on the deal between the passenger and the pedicab rider. In the last few years, the golden era of pedicab riders (and their pedicabs) has begun to fade. Little by little, the number of pedicabs began to decrease because they were replaced by vehicles that were much more modern and fast. Moreover, people now prefer to have private vehicles because they are easily obtained by means of credit and, of course, it will increase their prestige.

In Kota Medan, the life of pedicab riders still has various problems, such as a clear economic problem with many living below the poverty line, where they have to provide for their families with insignificant income, e.g., to eat daily, pay for expenses, school fees for their children, paying rent for houses, and other unexpected necessities. They also have to pay rent for the pedicab which is used if they do not have their own pedicab; if there is a pedicab that is damaged, then they also repair the pedicab which has to be borne by them. In addition, they have to pay monthly installments if the motorbike they are using has not been paid off.

The increase in the price of basic necessities is a problem for pedicab riders themselves. The main motivation for pedicab drivers is to make ends meet. In addition, they do not want to be unemployed due to the failure to find work in the formal sector, and the difficulty of finding employment opportunities; rather than being unemployed, and not earning income, it is better to work as a pedicab rider yet earn little, rather than not earn at all (Mangatta, 2018).

The existence of pedicabs from day to day is increasingly crushed by technological developments due to the presence of online-based transportation which is a problem for the pedicab riders in Kota Medan, and which is more about jealousy from the pedicab riders toward the online transportation services due to the increasing number of online transportation that goes popular in Medan. Therefore, all the pedicab riders' income decreases as pedicab users or passengers start switching to online transportation such as GRAB or GOJEK, or others due to the cheaper costs and more efficient in time, and this makes many people who used to be the pedicab passengers switch to the online transportation services.

Kota Medan is one of the cities where there are frequent clashes between online transportation groups and conventional transportation, marked by restrictions between the betor and online transportation spots in certain areas in Kota Medan. Betor is very important for people who come from outside Kota Medan. In certain areas, people do not feel difficult if they want to ride pedicabs since they operate in
certain areas such as stations, terminals, and certain areas around Kota Medan. In addition, the absence of a fixed rate in this transportation service provides an opportunity to bargain on the fares to obtain a price agreement, thus no one feels disadvantaged. However, now the presence of online transportation has weakened the existence of betor in Kota Medan, resulting in a decline in the standard of living for the pedicab riders in Medan, and their existence is increasingly being forgotten. Back then when newcomers arrived at stations and terminals, looking for pedicabs to reach their destinations, nowadays it is the pedicab riders who are looking for passengers to use their transportation services. This makes the pedicab riders look for ways to be able to maintain their existence and survive in today's technological era. This is the problem that is happening in the community, between online transportation and conventional transportation, especially betor.

Currently, the existence of betor in Kota Medan also gets a lot of assistance from companies that help people who need job as betor riders to be able to improve their families' economy, one of which is the company CV. Bestari Lestari Transport. The existence of CV. Bestari Lestari Transport helps the difficulty in looking for a job, so that people are required to be alert and try hard, thus they can meet all the needs of their families. Therefore, CV. Bestari Lestari Transport offers betor residents with small instalments in collaboration with the Bank Rakyat Indonesia (BRI).

At this time, CV. Bestari Lestari Transport has sold 1,500 units of betor in Kota Medan, 1000 units in Perbaungan area, and 1000 units in Tapanuli area. Of all the units sold, of which 1000 are intended for underprivileged people with no jobs and want to become betor riders to improve their family economy.

The existence of pedicab riders in Medan who join the CV. Bestari also points out the high number of pedicab rider in Kota Medan. However, since the last few years, the golden era of pedicab riders has begun to fade. Little by little, the number of pedicabs begin to decrease because they are replaced by more modern and faster vehicles. Moreover, people now prefer to own private vehicles; and nowadays, there are online transportations.

The fewer number of passengers and the increasing number of modern means of transportation, of course, make pedicab riders begin to adapt to the changes that are, and will still continue, in Kota Makassar. Whether they like it or not, they will use all their knowledge, experience, and skills. Pedicab is a means of land transportation which helps the community to support their daily routine. Even though the existence of the pedicab from day to day is getting crushed by the growth of other land transportation modes such as motorcycle taxis, betor, city transportation (pete-pete), taxis, and online transportation (GRAB and Gojek), however, there are still people who are interested in using a pedicab. This is due to several factors, ranging from comfort, the relatively low risk of accidents, and the affordable fare for pedicabs.

The existence of fewer pedicab users makes the pedicab riders absolutely have to think of strategies that must be done which can make they survive against the existence of online transportation. Strategies are patterns formed by various attempts by humans to solve the problems at hand. Strategies arise from the results of human interpretation by using a certain frame of mind for the environment or situation at hand. As social beings, humans certainly have more and more diverse needs. These various needs can be fulfilled properly if there is a supportive income. However, not all of these needs can be fulfilled properly, especially for people with low economies. Strategy is needed in everyday life, not just institutions or organizations that use strategy as planning for progress.

Strategies are also used to adapt to changes that occur in society that require a person to strive for the advancement of an award in the community where they live. Strategy is an effort that must be made by an individual or group in the hope that it can survive and carry out activities easily. In this case, human
efforts to survive must be able to adapt to the natural environment and social environment. Adaptation is a process to fulfill certain basic requirements in order to continue living in the environment in which they live. Human adaptation, with the main concept of human adaptation to the environment, is based on human cultural patterns that include thoughts and decisions to act appropriately in overcoming problems arising from a changing environment. Thus, adaptation is a pattern of behavior that allows people/individuals or groups to cope with the environment and its changes (Jones, 2010).

Furthermore, overcoming economic problems concerning the fulfilment of increasing needs, increasingly expensive prices, and increasingly difficult competition between the online and conventional transportation business world, thus it is hoped that the pedicab riders who join CV. Bestari Transport have survival strategies to meet the necessities of life, as well as for the credit instalments.

Literature Review

Survival strategy is interesting to study as an understanding of how a household manages and utilizes its resource and capital assets through certain selected activities. According to Suharto (2009), explaining the survival strategy as a person's ability to implement a set of ways to overcome the various problems that surround their life, this problem-solving strategy is basically the ability of all family members to manage the assets they own.

Irwan (in Official, 2005: 6) states that a survival strategy is a series of actions that are selected by standards by individuals and households who are middle-downward socio-economically. Through a strategy run by a person, one can increase income through the use of other sources, or reduce expenses by reducing the quantity and quality of goods or services. In addition, the survival strategy applies a double income pattern which is part of the economic strategy.

Needs are human desires for objects or services that can provide physical satisfaction as well as spiritual needs. Human needs are not limited to concrete needs but also abstract ones. Humans as social beings, as subjects, are humans who have the same human needs, yet humans are unique and different from one another.

There are many definitions of workers, both conveyed by experts and by the government as outlined in the Manpower Act. The definition of worker is different from the definition of labour as contained in Law Number 13 of 2003 concerning manpower. Article 1 point 2 determines that a labour is any person who is capable of doing work in order to produce goods and/or services to fulfil their own needs or for the community. Meanwhile, Article 1 point 3 states that a worker/labourer is any person who works in receiving wages or other forms of remuneration.

According to Basrowi and Juariyah (2010: 62), social conditions are all people or other humans who affect us. Social condition affects individuals in two ways: directly and indirectly. Directly, that is, as in everyday interactions, from the family, friends, and jobs. Indirectly is through the mass media, both printed, audio, and visual. Furthermore, it is also explained that the social environments which are very influential on the process and outcome of education are friendships (social friends), the neighborhood, and activities in the community.

Methodology

This is a descriptive research with qualitative approach. Purposive sampling technique was used in selecting the informants. Primary data collection techniques were carried out by observation and interviews, and also for the secondary data, namely the data published or used by organizations that were
not processed them. Data analysis is the process of finding and compiling data from interviews, observations, and documentation, systematically by organizing data, choosing the important ones, which ones need to be studied, and making conclusions. According to Miles and Huberman in Silalahi (2006), the data analysis stage consists of several activities that occur simultaneously, namely data reduction, triangulation, and drawing conclusions.

**Research Results**

**The Impact of Online Transportation Presence against Betor Riders**

The economic condition of conventional transportation due to the presence of online transportation

In understanding the online transportation business model, one must also understand the business model that the company is running. In the online transportation business, there is no ownership of the means of transportation by the company, which in economic theory is called the sharing economy. Conventional transportation is an owning economy civilization, where each individual has their own. In contrast to conventional transportation business owners who have to buy vehicles, prepare parking lots, maintenance places, and all kinds of permits that require large costs, making the operational expenses to be borne very high, the rates offered to consumers are very high as well.

The decrease in the number of passengers certainly has an impact on the total income of conventional transportation players, as clearly illustrated in the research findings where the decrease in the number of passengers is very large. Before online transportation existed, urban transport drivers could earn more than Rp.200,000, and motorbike taxi riders could get Rp.60,000 to Rp.100,000, while pedicabs could get Rp.40,000 to Rp.50,000. Soon after online transportation existed, their income changed completely: their income decreased, as well as the number of passengers that decreased.

One of the main economic factors to measure the economic capacity of the community is the level of community income. The factors in question are only related to income and expenditure, yet the most important thing is to know the size of the ratio between revenue and expenditure. Income can be used as a measure in assessing the success of a business. A person's economic condition can be seen from how much income one can get after working. In the context of pedicabs, motor taxis, and urban transportation, their income is influenced by the number of passengers that can be transported every day. This condition certainly cannot be tolerated. Change is the solution, since in a business context, consumers are the ones who decide which means of transportation they need.

**Social Conditions of Conventional Transportation Due to Online Transportation**

The results of research by Rohani Budi Prihatin are in line with the findings of this research which states that the demonstration of conventional taxi drivers demanding to block online-based transportation services, which ended in riots. From an academic point of view, this phenomenon is called the 4th stage of the industrial revolution, which is marked by the interconnection between individuals and changes in conventional business structures. In the short term, these problems must be resolved by creating or renewing controls that are fair to both parties. The same conclusion in research by Junior concluded that conflict with conventional motorcycle taxi riders occurred directly in the form of verbal as well as physical violence.

The conflict with conventional motorcycle taxi riders made them more aware of the importance of alliances with other small groups that benefit their existence. Satriyono stated that the quality of interaction between producers and consumers with indicators of attitude, behavior and expertise, must be improved so as to improve and maintain the quality of service to consumers. Online transportation offers
convenience, lower costs, more guaranteed comfort and safety, thus it is not surprising that many people are switching from conventional transportation mode to online transportation mode.

Over time, the presence of online transportation has created social jealousy for existing conventional transportation, including motorized taxis, public transportation, pedicabs, conventional taxis, buses, and so on. Online transportation is blamed for the decline in the income of conventional transportation drivers.

The relationship of the problems that cause the two different groups to attack each other is due to conflicts between online transportation drivers and conventional transportation which are based on social problems such as overlapping economic income, which is because conventional transportation drivers due to the progress of the times, social changes in society increases which they now prefer online transportation.

There are many types of public transportation in Kota Medan, including betor, a three-wheeled transportation that is similar to a pedicab yet it uses a motorbike engine. The many types of public transportation in Kota Medan create competition to pick up passengers. Public transportation, particularly in Kota Medan and its surroundings, already has each route for operation throughout the Kota Medan. Therefore, people do not need to worry when they want to use public transportation because they already have their own route codes and rules governing the law on public transportation.

Nowadays, transportation has become a necessity for all segments of society, both children and adults need transportation. One of the existing means of transportation is public and conventional transportation. As time goes by, many people are creating new things, including one of them is online transportation such as Go-jek, GRAB, etc. which makes it easier for people to travel without having to bother looking for more. City people have the right to choose what transportation they choose according to their destination, as well as matters of safety and comfort.

The current sophistication of technology has made one motorbike taxi user to make an innovation in combining the sophistication of internet technology with public transportation that makes it easier for people to access it via the internet, which is called online transportation. Income is something that is obtained from a job that is expected to be able to meet the needs of one's life, even as a reference in determining the level of a person's social status. Online transportation increasingly controls all points of Kota Medan.

They use low rates yet based on a decree from the government, however their feasibility to operate have not yet been allowed. The existence of online transportation of course affects the income of pedicab riders by up to 80 percent, along with the decline in public interest in these betor services.

One pedicab rider named Muksin (39 y.o.) who joins the CV. Bestari Lestari says:

“I used to get six to ten passengers before there were online transportations. There would always be outcome every day, e.g., pocket money for my kids at around Rp.30,000 (I have three kids, and they go to school every day), and also for meals; and I am so grateful that my wife is still willing to help our daily needs, such as working as laundress at neighbors and also small business. The presence of this online transportation indeed affects me and also other pedicab riders. I used to be able to save, now it is difficult. However, thank God I can still get food for me. Actually, I have been thinking about becoming an online motorbike taxi rider, yet on the other side, I have also been thinking whether it is the better way for me or not.”
Based on the interview result above, it shows that the presence of online transportation has an impact on the betor riders. Pedicab riders have felt the decline in their income. Customers who used to be loyal pedicab passengers now prefer to use online transportation services, which are more interesting to the public because they are more practical, clearer tariffs, safer, ease of payment, and endless innovation. The presence of online transportation has had a significant impact on the economy of the pedicab riders, which has resulted in decreased pedicab income.

The presence of Online Motorbike taxi in Medan City until now has had a big impact on pedicabs in Medan City. Pedicabs feel that their livelihood market has been taken away by online motorbike taxi which causes them to lose passengers and income and lose their existence in Kota Medan. Before the existence of this Online Motorbike Taxi, they also had to share their livelihood land with other conventional sector workers. This condition makes pedicabs feel like they are experiencing a very difficult ordeal. However, authors hope that the pedicab will not get frustrated and take the wrong attitude in dealing with these conditions. Authors then hope them not to be lazy, and also hope that they will be more enthusiastic and pray to God, the Giver of sustenance. Everything these pedicab riders feel makes them need a survival strategy.

Strategies for Economic Improvement of Betor Riders in Facing Online Transportation on the Pedicab Members of CV. Bestari Transport

Based on the research, it can be seen that the pedicab riders who join CV. Bestari Transport uses three survival strategies at the same time to survive in the midst of their limitations, namely active, passive, and network strategies. This is consistent with what Suharno (2009: 31) states that survival strategies in overcoming economic shocks and pressures can be carried out in various strategies. The survival strategy can be classified into three categories, namely active, passive, and network strategies. The following is an explanation of each of the survival strategies of the pedicab riders who are members of the CV. Bestari Transport Kota Medan.

Active Strategy

The active strategy is a survival strategy carried out to increase family income by optimizing all family potential. As stated by informant 1 who stated:

“Today, it is hard for us for just relying on being as pedicab riders. Before this online motorbike taxis appeared, I could get some food for my kids at home, soon after I worked. Now it is a very hard thing. We could earn for living, back then, just from this pedicab, no additional jobs. Since those online taxis operate, many people who used to be our customers prefer to ride the online ones. This condition forces me to have additional jobs to be sufficient for living. Currently I am also a construction worker.”

As stated by informant 1, the survival strategy that is carried out in order to meet the necessities of life is by making side jobs. Even though the results of the side work are relatively small and erratic, it is still done for them can continue to live. Another thing that pedicab riders do is to involve their family members to work as well.

As informant 4 says:

“My wife also does small business at home, such as selling vegetables, and it helps our economic life; well, not bad.”
Not only do they make side jobs and involve their family members to work too, but the pedicab riders also increase their working hours in order to increase their income.

As informant 2 says:

“Here, in Medan, there are a lot of pedicab riders, so we have to compete to get passengers; sometimes we must wait for eight pedicab (in queue) to have our passengers. Such condition was still simple back then, we still took it easy. But now, there are online motorbike taxis, they make our ways more difficult. I used to work only until afternoon, now I have to extend my work hours until evening.”

The above facts are relevant to the opinion of Suharto (2009: 31) which states that the active strategy is a strategy carried out by poor families by optimizing all the potential of the family members (for example, doing their own activities, extending work hours, and doing anything to increase their income). This strategy is the first choice made by the pedicab riders to stay alive. They will maximize all the potential resources they have to increase their income.

**Passive Strategy**

The passive strategy is a survival strategy by reducing family expenses. The thrifty attitude by the pedicab riders is to familiarize the whole family to have their meals as little as possible due to the less uncertain income which makes them unable to provide a variety of foods, thus they get used to eat only as simple side dishes according to the menu available in the kitchen.

As this informant says:

“A simple life is very common for us since the condition is different, then and now, and we cannot remain just like back then when we used to be. Now, we have to eat anything we own; I mean, we used to eat fish and shrimps, once a week, but now, just tofu and tempeh, or salty fish, are enough for us.”

Apart from saving on food costs, the pedicab riders also save on clothing, just as stated by informant 2:

“It is like, we can only buy new clothes once in a year, and that’s not always. We just put it on, wear it as long as it is still wearable. Some of my clothes are from the relatives; if it doesn’t fit me, I let the kids wear it. This is what’s going on in my mind; this is the way I have to take, in order to save more. It’s better to save for unpredictable more important needs than to buy new clothes. Moreover, the more important is that it’s sufficient to pay the betor instalment.”

This is relevant to the opinion of Suharto (2009: 31) which states that the passive strategy is a survival strategy by reducing family expenses (for example, costs for clothing, food, education, and so on), and is strengthened by the opinion of Kusnadi (2000: 8) which states that the passive strategy is a strategy where individuals try to minimize spending money, and this strategy is one way to survive.

**Network Strategy**

Network strategy is a survival strategy, carried out by establishing relationships, both formal, social and institutional environments. Human life is not always in accordance with what has been planned by themselves. Sometimes there are undesirable circumstances that require humans to always be ready to face a situation. One strategy that can be done is to make loans or assistance, which is usually done by asking for help or loans from relatives, neighbors, banks, and others when they are faced with an economic environment that threatens their family life. As stated by informant 3:
“I no longer dare to borrow money from a bank or cooperative because there are still loans running where the monthly fees and interest make me unable to; I’m just afraid that it will build up more debt, and have difficulty repaying it in the future. It is also not easy to borrow money from neighbors because oftentimes their finances are less than adequate. It is only to our relatives that we often borrow money, because it is interest-free and there is no pressure to repay, and they understood our situation.

The same thing is said by this informant:

“Seeing these pedicabs of ours, many people no longer believe in us when we want to borrow money, since they are worried how we can repay it later. Family is one of the most possible ways to borrow money because, after all, only our family understands our economic situation the best.”

On average, the pedicab riders borrow money from their families rather than from banks or neighbors. This is due to the bank's lack of trust in the pedicab riders due to their economic problems. As stated by informant 2:

“Right now, it is very difficult to borrow money from a bank because they are hesitant to lend us, and because they also understand our current situation; moreover, there are still betor installments running, and there are no assets to be used to guarantee. Therefore, if this pedicab of mine is going to be used as to guarantee, then with what will I be able to make up for the installments later? On the one hand, this pedicab is my assistant for work.”

This is relevant to the opinion of Suharto (2009: 31) which states that the network strategy is a survival strategy carried out by building relationships, both formal and with the social and institutional environments (for example, borrowing money from neighbors, from stalls or shops, making use of poverty programs, and even from moneylenders, or banks, and so on).

Conclusion

The presence of online transportation has changed the way that have occurred to the pedicab riders at CV Bestari Lestari, especially those whose instalments are still running. The condition with the emergence of online transportation has made it more difficult for the pedicab riders who are crediting their betor at CV. Bestari Lestari. The most fundamental change is the disruption of their livelihoods due to the existence of online transportation and other transportation which has resulted in less income that has an impact on all aspects of their lives, and requires them to apply survival strategies to be able to make their betor credit payments at CV Bestari Lestari. Based on the research results and direct observation, it is found that the pedicab riders apply three strategies to survive and fulfill the basic needs of their families, namely: active, passive, and network strategies.

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