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## Pop Culture, Global Investment, and Social Inequality

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### ABSTRACT

Globalization has played an important role in promoting false eyelashes as a pop culture phenomenon leading to a new international beauty standard. Due to the significant global demand, international entrepreneurs recognized this new business opportunity. At least 43 different parties invested in the hair industry in a specific regency located in Indonesia, where 27 of which are foreign, employing more than 60,000 workers. In 2021, it contributed to almost 70% of the main region's exports, resulting in Indonesia becoming the world's largest exporter of eyelashes, after China. This raises the question: where is the local community's opportunity for prosperity? How much of the total generated income is shared with the local community? That is what led to this study.

**Objective:** This study aims to analyze the impact of the false eyelash industry on regional economic and social development in a regency as destination of foreign investment for the hair product industry. We used the descriptive qualitative method and direct interviews with industry laborers in two regencies where the commodity is mainly produced. We interviewed two workers for this particular study. First is a disabled female unmarried orphan of 36 with severe dexterity issues, and second is the family's sole breadwinner taking care of one child and her elderly parents, while her husband is virtually not present.

**The study shows** that the workers in the industry are paid far below the national minimum wage. The disabled woman receives Rp150 or less than one US cent per strip of eyelashes from the collector which is used as base for the final product. While, the other worker who works for a home industry located in the main region is paid between Rp80,000 to Rp100,000/week or approximately five to six dollars, working at a minimum of 8 hours per day, resulting in a four times higher compensation compared to the disabled worker. But even despite this fact, both of them are paid far below the local compensation, let alone regional minimum wage. The author uncovered that the workers' living standards are well below the extreme poverty line thanks to this compensation system.

**Evidence suggests** that the beauty industry makes disproportionately high profits from this industry. It allows global beauties' easy access to an affordable look upgrade at the expense of the marginalized. This begs a response from the regional administration. Action needs to be taken by both the ministry and the local chamber of commerce in resolving these conflicting issues. The enforcement of reasonable compensation and social security provisions needs to be implemented to remedy social and financial marginalization of the workers within the industry. The financial conditions of the workers need to be brought to attention and thereby to a more humane level by changing the current employment system. This at the moment more resembles modern slavery.

*Keywords: False Eyelash Industry, Employment, Poverty, Inequality, Globalization*

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## 1. Introduction

Indonesia is the world's largest exporter of eyelashes and wigs after China. It has an estimated export value of USD103 million with a volume of 595 tons in 2021 (UN Comtrade, 2021). This commodity is mainly produced in a specific regency (further referred to as Regency 1) with neighboring regency serving as supporting region (further referred to as Regency 2) for the industry as it is fully reliant on manual laborer. The process takes up to 10 stages or more to achieve the desired results. At least 43 different entities registered in Regency 1, are involved in the imitation eyelash industry, of which 27 are foreign investments (PMA) while the remaining 16 are local (Purbalingga Department of Manpower, 2022).

The industry employs at least 60,000 registered local workers, which is almost exclusively dominated by women (90%). In 2021, around 70% of the export in Regency 1 originated from this industry, with a total value of more than Rp2.2 trillion. According to the Indonesian Department of Trade (2017), 67% of hair products from Indonesia were exported to the USA. This was followed by Malaysia (13%), Great Britain (5%), Germany (4%) and Korea (3%).

This Indonesian commodity is highly valued internationally and appreciated by women the world over, as well as international celebrities and models. At Cosmobeauty Peru 2022, an international beauty product exhibition, the Indonesian eyelashes were one of the prima donnas of the show, easily outshining products from Germany and Spain, because of price and quality. Before that, at the Bologna 'Cosmoprof' Beauty Product Exhibition in 2018, the Indonesia-made exhibits were inundated by industry visitors recognizing the value and quality of the product.

False eyelashes, these days, are the ultimate makeup accessory. They allow you to glam up your look to a red-carpet celebrity level like Indonesia's Syahrini or even Katy Perry or Kim Kardashian. It allows you to achieve a sophisticated air that makes your eyes truly pop. There are numerous options these days, from full lashes to winged cat-eye extensions, individual lashes and even fantasy pieces that are super-hot right now thanks to pop culture makeup trends as seen on global TV dramas.

Globalization played an important role in promoting pop culture leading to these international beauty standards. Women, wherever they come from, pride themselves on a lush pair of eyelashes, even though, we are not all born with them. So, most women are now left to furiously googling in search of the ideal look. This was the stepping stone which started the false eyelashes industry. This, so anybody could achieve the look they had been dreaming of up to then (Craig, 1998).

Fashionistas make a habit of using false eyelashes to make their natural lashes lush and thick. These products are available in a variety of lengths and colors at an affordable price. Increasing consumer awareness regarding the availability of a variety of grooming products is mainly driving this market growth.

According to recent reports, the global false eyelash market is projected to grow from USD1.26 billion in 2021 to USD1.96 billion in 2028 at a CAGR of 6.5% between 2021-2028. The increasing trend of customized eyelashes and regular eyelash-related marketing campaigns by major companies are expected to boost this growth. The market size stood at USD1.14 billion in 2020 and USD1.26 billion in 2021 (Fortune Business Insights, 2022).

Nowadays, cosmetic brands are collaborating with fashion celebrities to launch their premium-based eyelash products. For instance, in July 2021, Revlon Inc. introduced the 'Revlon x Megan Thee Stallion Hot Girl Sunset collection'. Aside from that, Katy Perry endorsed a line of fake lashes that marketed by Eylure with its supplier being PTRK, located in Regency 1 (The Guardian, 2013).

Additionally, the increasing popularity of do-it-yourself (DIY) strip lashes is anticipated to further boost the demand and fuel the industry growth in the years to come (Fortune Business Insights, 2022). Asia Pacific region is projected to produce the largest chunk of the global false eyelashes market share. The large manufacturing plants in Indonesia and China are expected to be a key factor in driving the region's growth (Fortune Business Insights, 2022).

Due to this massive global demand, international business recognized the opportunity. This was created from the massive demand across all markets. Many of the biggest names in fashion source their production from the factories in Regency 1, including L'Oréal, Shu Uemura, MAC, Kiss, Make Up Forever, and Maybelline. This small town in Central Java, Indonesia, has proved attractive to the global investors because of its low minimum wage, which is half Jakarta's, the country's capital. This drew global investment to Regency 1, where they set up business, raised staff, and



Fig. 1 Factories in Regency 1 make products for big name brands including Katy Perry for Eylure, L'Oreal, Shu Uemura, MAC, Kiss, Make Up For Ever and Maybelline (Chamberlain, 2013)

made a fortune.

A lot of studies have been done in connection with the hair industry. Despite this fact, no study mentions the local hair industry such as the one in Regency 1 to the point where the surrounding areas become labor suppliers with questionable labor welfare practices.

This study is an important reference with respect to foreign investment in the hair industry in Regency 1 which

does not necessarily make the local labor prosperous. A lot of the companies prefer to use collectors to source for freelance workers, avoiding the need for payments of social benefits. By not employing the workers as permanent employees, it is not necessary to adhere to the minimum wage and other incentives.

This study raises the question: where is the local community's opportunity for a well-earned compensation? How much of the total is shared with the locals? What is the impact of the false eyelash industry on the regional economy and social welfare development in Regency 1 and its adjacent area? That led us to this study.

## 2. Literature Review

The expansion of the international beauty market was inextricably linked to the waves of globalization that began in the nineteenth century. Business enterprises were crucial in the creation of what is now known as the first global economy. Thousands of firms, primarily based in Western countries that had experienced their own industrial revolutions, crossed borders and established operations in foreign countries at the beginning of the mid-nineteenth century (Jones, 2011).

Before other Western firms began exporting, beauty had always been a craft which was very local in its products and traditions. There was no global standard of what it meant to be attractive. Societies had always varied considerably, both over time and between geographies, in how they sought to enhance their attractiveness through the use of cosmetic aids, hairstyles, and clothing, and in their broader views of aesthetics.

Both men and women, have made extensive use of cosmetics in certain contexts. Indeed, in some societies it was the male body, rather than the female, which was held to represent the ideal beauty. As Western culture and influence expanded during the nineteenth century, Europeans and Americans became increasingly curious about, if not respectful of, the rest of the world, writing in scientific journals about the apparent differences in beauty ideals (Anonymous, 1851).

In 1871, Charles Darwin in his book "The Descent of Man" confidently asserted that it is certainly not true that there is, "in the mind of man any universal standard of beauty with respect to the human body" (Darwin, 1871). The international growth of the beauty industry soon challenged Darwin's view, and drove a worldwide homogenization of beauty ideals. These assumptions and routines prevalent in the West, spread as global benchmarks. And this is what also happened for the false eyelash commodity where there was a huge demand for thanks to mass media influencing people around the world and creating and reinforcing this uniform look driven by a western-centric standard (Isa and Kramer, 2003; Gill, 2020).

It was Karl Nessler, a well-known hairdresser and inventor, who patented a method for weaving artificial eyelashes and brows in the United Kingdom in 1902 (Seena Owell, 2019). A year later, he was already selling artificial eyelashes in his salon in London. In the United States, the

patent for false eyelashes was filed by Anna Taylor from Canada in 1911. False eyelash extensions, like many other things, became more popular as a result of popular culture (Seena Owell, 2019).

D. W. Griffith insisted in his movie "Intolerance" on long heavy eyelashes so Seena Owen's eyes could pop and draw attention from the audience (Seena Owell, 2019). He used human hair as the basis for the artificial eyelashes she used. As fabrication techniques improved, artificial eyelashes gained popularity in the 1930s and put the industry on the map. This later experienced a revival during the 1960s. The first lash designs paved the way for more advanced techniques where the designers started playing with their length, curl, and thickness (Seena Owell, 2019).

These more advanced methods of eyelash extensions started to be used later in the twenty-first century. They were much more natural-looking than the previous artificial lashes. It is said that they were developed in Korea in the early 2000s (based on ancient techniques), and that they started to be widely used in 2004 by celebrities and movie stars who favored their popularity (Seena Owell, 2019; Business Insider, 2017).

Globalization has developed the trend of false eyelashes which quickly spread across the entire world. But, on the other side, that same globalization caused extreme wealth inequality across society between individuals as well as countries. This includes nutrition, healthcare, and education (Dreher, A. & Gaston, N., 2008).

According to Acemoglu and Robinson (2012), the USA and Canada, and certain countries in Europe in general have better access to all those basic needs, where the citizens live longer and in better health. They also have access to broader life choices like jobs and their preferences of holiday destinations. On average, an American is seven times richer than the average Mexican and ten times than a Peruvian in South America. Even 20 times wealthier than inhabitants of Sub-Saharan Africa and 60 times more well-off than the poorest from Mali, Ethiopia, and Sierra Leone.

Stiglitz (2019) said that this wealth inequality is dominated across the economies of certain regions, causing a lag in the distribution of wealth across the economy and the population. In general, this inequality in prosperity is caused by individuals and organizations who pursue wealth by exploiting others as opposed to creating local abundance in the areas where they are active. If there is no change in this condition, inequality and unemployment will continue to rise where the new technologies will worsen the situation (Stiglitz, 2019).

Hickel (2020) said that for there to start to be a kind of equality, we need to decolonize the imaginary idea of economic development and we should allow different approaches for abundance to flourish at all levels. This means: decent wages, proper labor laws and a progressive distribution of national income. Because gains in labor productivity have been appropriated by capital as opposed to the shortening of the working week and the rise in wages, companies and entrepreneurs have pocketed the excess of wealth creation while requiring employees to work the same hours or more.

In other words, productivity gains were not used to liberate humans from labor but were only used to fuel continued growth and profit. As we now can scale down this excess industrial production, we can mitigate these benefits to the labor force and allow them to concentrate on the things of real value in life (Hickel, 2020).

Soaring global demand for natural beauty products becomes a driving force behind modern-day slavery. This as the cosmetic supply chain is extremely complicated and unregulated. Many raw materials are sourced from impoverished and conflict-torn countries where labor laws are not enforced and access to decent jobs, schools, and public services is extremely limited for the majority of people struggling to make ends meet. It is crucial for beauty industries to improve supply chain safety and conditions, abolish slavery, and pay fair wages. At the same time, governments also need to have the resources to monitor or regulate working conditions in the beauty industry (Guilbert, 2018).

### 3. Research Methodology

This study utilizes both textual and contextual analyses, in a number of stages: (1) formulating the issue found during the working visit in October 2021 and March 2022, located in Regency 1 and Regency 2; (2) framing relevant theories; (3) collecting and categorizing primary data taken from interview and supporting data from the Guardian published in October 24<sup>th</sup> 2013 investigating labor practices in the hair industry, and also highlighted how the hair products produced by the underpaid labor is enjoyed by wealthy celebrities and models to upgrade their looks; and (4) concluding the finding and the analysis of the study responses.

We also used a simple descriptive analysis from secondary data at regional and national level. The secondary data we obtained mainly originated from Indonesia Statistics (BPS), Purbalingga Statistics, Pemasang Statistics, Purbalingga Department of Manpower and Transmigration, Purbalingga Department of Trade and Industry, Coordinating Ministry for Human Development and Cultural Affairs, and UN Comtrade. The secondary data obtained majorly in quantitative forms to add the supporting evidence of weak relations between business development and community welfare.

There were five informants interviewed, including two workers. Besides this, we also interviewed a collector assigned by a foreign company based in Regency 1, and interviewed a local government representative responsible for protecting local labor. Further, we interviewed an employer run a home industry located in Regency 1. Those informants were chosen based on their representation of the subject matter of the mini case study. The data compiled gives relevant feedback on valuable information about the employment system of the false eyelash industry.

As mentioned above, two workers were directly interviewed for this particular study, one an unmarried disabled female orphan of 36 with severe dexterity issues in her hands and feet (further referred to as worker 1), and the second one a virtually self-supporting woman with one child and a husband who is rarely present, while she is the sole breadwinner for her old parents (further referred to as worker 2).

The challenge during the collection of data was to locate the unmarried disabled female living in a hard-to-reach mountainous region, hundreds of kilometers outside Jakarta, who herself cannot even move around and also does not even have an identity registration. Under those conditions, she is in a clearly weak position to negotiate with her employer who she never even interacted with, but only through a middleman. As the collector had no intention of connecting us to her employer, we likewise had trouble communicating with them.

## 4. Results

### 4.1 False eyelash industry

Regency 1 has become one of the key market players in the world of the false eyelashes industry (Fortune Business Insights, 2022). In this industry, companies are varying from small home size entities to world class industries. Employment system in the big industry is divided into three different categories: *first*, those working in the main factory earning legal minimum wage, *second*, workers active in related satellite workshops barely making the minimum, and *third*, those working from home earning far below legal compensation (The Guardian, 2013).

Since this industry is fully reliant on manual labor, the companies need to use an extensive network of smaller workshops, known as partnerships. This partnership system is a strategy for the business owners to control expenses as the available labor force is extensive and they minimize labor cost while demanding extra production capacity when the need arises. The result of the work done by the satellite workshops or individual residential partners is coordinated and picked up by collectors appointed by the factory, before handing it over for final production at the factory.

The employment system adopted by home industries is not far different from the one used by the larger companies. While, the big companies typically employ workers working in their main factory, satellite workshops, and supported by people employed from home with middlemen, called collectors in between, local home industries only have workers active in their business unit even though they allow workers to do their job from home.

Despite the fact that workers usually prefer to work in foreign companies due to superior compensation conditions, this is not the case here, as working hours and demands from their employers are extreme. While sometimes, they work till late at night just to finish their order. In this industry, some workers prefer to work in a home industry where they are given the option to work from home so that they can take care of their family while doing their job.

The process of making false eyelashes is very intricate and labor-intensive as it requires precision and patience in fabrication to get the best results. It starts by plucking the strands from the locks of hair. Then you wrap three strands and hold them with your left hand. With the use of a tool in the right hand, you hold the hair on a string strung between two large nails.

With a practiced move the three strands are then tied in a knot on that particular string. Repeat this movement while carefully adjusting the distance between the knots. On 1cm of the string tie 30 knots. In total, fill a distance of 3,3cm with these hair knots as the base for the eyelash strip.

The arranged knots are later shaped and cut, one hair at a time. For instance, if one eyelash consists of 5 different sheets of hair, cut the first sheet and five fourths of the one above to a length of 1cm. The second and fifth sheet of hair will be cut in half. The third will be left untouched.

The work seems to be simple but actually is not that easy to do, especially for a novice, as there are more than 10 steps in this production process. This from cleaning the hair, sorting it, coloring, linking, cutting, curling and shaping it up to the packaging.

That is why the partnership concept is spread across Regency 1 and other adjacent areas like Regency 2 to have access to the necessary workforce and meet industry demand.

#### **4.2 'Wage theft' in the false eyelash industry**

The result of the study shows that the workers in the industry are paid far below humane standards. This particularly for those working in home industries and those working from home with the partnership scheme. Based on our in-depth interview with the 36-year-old disabled female orphan (worker 1), she admitted that she only receives Rp150 or less than one US cent<sup>1</sup> from the collector per base strip of eyelashes produced, which is used as the base for the finished product. Due to her physical condition, she is not able to raise her voice to the Korean owner who does not even know she exists.

The other workers work for a home industry, ordered to customize or trim false lash hairs, earning between Rp80,000 to Rp100,000 (five to six dollars in average) per week, working at a minimum of 8 hours per day, resulting in a four times higher compensation compared to the disabled worker. But even despite this fact, both of them are paid far below the local compensation, let alone regional minimum wage.

This study also shows that the workers do not receive social security or even social insurance from their employer. The industrial process and the system of work followed by the industry is intentionally unclear. Even the disabled woman does not know for who she works or by who the product she worked on is paid for, because she only interacts with her collector.

The resulting work is eventually collected by a foreign company belonging to a Korean entity based in Regency 1.

Even the collectors do not know where the product ends up and how much profit the company gets as the system of work is very unclear.

#### **4.3 Extreme poverty in the region: the social cost of false eyelash glamor**

Observing the extreme working conditions in the area, the author realized that the workers live below the extreme poverty line with an average daily income of less than Rp11,000 per person (USD1.90 PPP). This despite the huge size of the industry which runs into the trillions of rupiahs (billions of dollars).

The direct foreign investment entities need to actively promote proper compensation and mandatory social security provisions to allow for the development of wealth and abundance to the local community at a respectable scale. With this current lack, Regency 1 as a destination of foreign investment for the hair product industry, at the moment still causes a huge rate of extreme poverty due to its deplorable approach to the labor force.

In 2021, there were more than 51 thousand inhabitants in the extreme poverty group in Regency 1, which contributed to 5.46% of the population. In Regency 2 this number was even double, where the amount of people belonging to the extreme poverty group is more than 100 thousand inhabitants resulting in the rate of extreme poverty at 7.77%. The extreme poverty rate for both Regency 1 and Regency 2 in 2021 is far higher than the national average which is at only 2.14% (Coordinating Ministry for Human Development and Cultural Affairs, 2022).

#### **4.4 Poor living conditions of workers**

To have a closer look at worker 1's life, one of the producers of false eyelashes supplying a Korean investment entity in the industry, we visited her house located in Regency 2, 350 km outside Jakarta. We found her after driving far into the mountains, passing treacherous mountain trails, and climbing slippery steps before we reached her, bent over her loom, concentrating hard on threading hairs.

While her siblings live in other regions with their partners and children, she remains alone because her parents passed away. Her everyday task involves making false eyelashes. At the suggestion of her craftsman neighbor, she got involved and has been doing the work for years. She learned how to prepare it by herself with a minimum of assistance. The collector, who also pays her and serves as a middleman, delivers the product she creates to a foreign company located in Regency 1, and provides her the necessary tools and material, including a tiny table, needles, and the necessary locks of hair.

It goes without saying that she cannot support herself with the money she makes as a craftsman producing eyelashes. Her neighbors even frequently have to prepare her meals as she does not make enough. Making these conditions even worse, she did not qualify for the

<sup>1</sup> Exchange rate in 29 October 2022: 1 USD = 15557.12 IDR

government social protection program available. This despite numerous programs being available for people in situations like hers, like the disability protection program. Just because she did not have a valid ID card, which is the base of all record. She admitted that no one had taken her to the local administration office to get an ID. The government, both local and central, should be aware of all physical abilities of their citizens and not let the ID recordings be limited by them.

Worker 1 lives in a house that is deemed unfit. It has a bare soil floor, timber walls, and an asbestos roof. Even though she gets a PLN electricity connection, she has no clean water. Because her neighborhood is prone to flooding, she needs to purchase clean water which almost costs her entire monthly salary. The road leading to her house is a rough, primitive mountainside trail covered in rocks and pebbles inaccessible to people with disabilities like her. Geographical constraints that prevent her from moving around cause her to become a craftsman in the eyelash industry totally reliant on her collector for work and pay.

Workers who make false eyelashes with the Katy Perry trademark are also subjected to the phenomenon of a poor employment system in the midst of the luxury and splendor resulting from the eyelash commodity. The parent company of Eylure is adamant that the Katy Perry lash collection is made legally by its supplier, PTRK, inside the company's factory located in Regency 1 (The Guardian, 2013).

Their earnings start about USD80 a month – equivalent to 46 US cents an hour, or about 13 US cents for every pair they make. Meanwhile, the lashes cost for USD9.52 in the UK. According to the PTRK factory manager, workers in PTRK's main factory do earn the legal minimum, but it also employs hundreds more women in satellite workshops where wage slips reveal that they can receive just half the legal minimum – about 6.4 US cents for each pair they make (The Guardian, 2013)<sup>2</sup>. This indicates that even respectable businesses have subpar hiring practices. All of the business's operations are manual and heavy reliance on the workforce.

In addition, working in this profession puts the workers' physical health in peril. It is a job for young women, requiring total concentration. Both worker 1 and worker 2 interviewed said that it leaves them with sore eyes and aching limbs and backs. By the time they reach 40, their eyesight can barely keep up. They discovered this through their 40-year-old counterparts who were forced to leave this position because their vision was no longer reliable. Because their employment does not offer health insurance, they only rely on the national health insurance program (BPJS) offered by the government.

#### 4.5 Human resource development in the region

The development of industrialization in Regency 1 where becomes the main destination for foreign investment to enter the region, should be a key driver for improving the quality of human resources. But in fact, it is far from that.

This can be seen from several indicators, including human development index (HDI) and average school attendance.

The index of human resource development in Regency 1 is below the national standard. In 2021, the HDI for Regency 1 was not even 70, while the national standard is 72.3. Over the last 10 years, the HDI for Regency 1 only went up by 5.54 points from 63.61 in 2010 to 69.15 in 2021. The HDI for Regency 2, the adjacent area, is far worse, as it reached only 66.56, that same year (Purbalingga Statistics, 2022; Pemalang Statistics, 2022; Indonesia Statistics, 2022).

Both Regency 1 and Regency 2 have a below average school attendance, where the children only follow school for an average of 7 years or less. Those regions showed the rate of schooling years for girls to be even lower than that of boys (Purbalingga Statistics, 2022; Pemalang Statistics, 2022). This is in line with our findings that the majority of the workers only attained an elementary school degree or less. While not being armed with a decent education as workers in the eyelash industry, they feel there is no need for them to follow the government's-obligatory-12-year-study program.

#### 4.6 International eyelash industry activity and regional welfare disparity

The hair industry in Regency 1 has been growing rapidly since the beginning of 1976 (Stacia and Yusuf, 2014), when an investor from South Korea founded a company called, PTRK, in 1968. This company is one of the biggest and oldest industry in delivering custom-ordered eyelashes in this area. In the following years, additional Korean companies joined such as IS, YM, and S. So far, the industry has created more than 43 different entities registered by the local trade office.

The presence of this industry has shown positive contribution to the regional economy, but still lags far behind other regions. The number of poor has been decreasing gradually in the past 15 years by around six thousand individuals or 1% each year. The living conditions of the poor have improved even though they are far behind the Indonesian average. This is indicated by two measures, named poverty gap and poverty severity index.

The poverty gap index represents the average expenditure gap of the population relative to the line of poverty (Fig. 2). The higher the index value, the higher the gap of the average expenditure of the poor to this line.

Meanwhile, the poverty severity index illustrates the distribution of living expenses among the poor. The higher the value, the higher the disparity of expenditure between them. Both indexes have been in decline since 2007. However, compared to other regions and national level, Regency 1 still has a significantly higher poverty index. In 2021, the local provincial index was 1,91, while the national index was at 1,71 (Purbalingga Statistics, 2022; Central Java Statistics, 2022; Indonesia Statistics, 2022).

<sup>2</sup> Average exchange rate in 2013: 1 GBP = 1.5647 USD

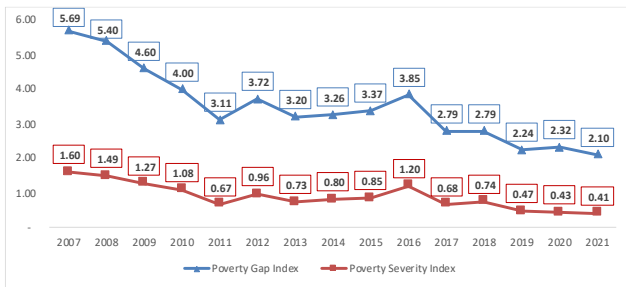


Fig. 2 Poverty Gap and Severity Index in Regency 1 (Purbalingga Statistics, 2022)

The informal sector still dominates the local labor market structure in Regency 1 (Fig. 3), which has not changed since 2015. The condition was exacerbated by the Covid-19 pandemic, where the poor in the informal sector increased significantly.

The overwhelming presence of informal workers cannot be separated from their level of education and the huge need of manual labor employed in the hair industry. Since the majority of workers have a level of education far below the national mandatory standard of 12 years, they have little choice but to do what they can to earn money right away in order to cover their daily expenses.

In terms of regional economic development, Regency 1 has been able to maintain solid economic growth despite

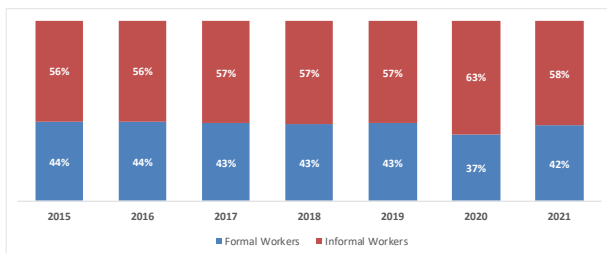


Fig. 3 Workers Structure by Job Status in Regency 1 (Purbalingga Statistics, 2022)

economic downturns, such as during economic shock of 2008, Covid pandemic and fuel price increases. However, its economic growth was still below the national average, where it only accounted for 3,69% in 2021. This was even less than their neighboring town, which achieved 3,72% (Purbalingga Statistics, 2022; Tegal Statistics; Indonesia Statistics, 2022).

The realization of FDI over the last six years has shown surprising results. There was a significant increase in 2017 due to local infrastructure expansion with the construction of a local airport which significantly improved Regency 1's international connections. The positive FDI performance is combined with a positive collection of tax revenues for the area. It has grown by around 17% for the past 15 years (Purbalingga Statistics, 2022; Purbalingga Department of Trade and Industry, 2022).

Both the minimum wage and average expenditure per capita have increased over the past 11 years. However,

during that same period, the average expenditure per capita and minimum wage only grew by 2% and 10%, respectively (Purbalingga Statistics, 2022; Pemalang Statistics, 2022).

### 5. Discussion and Recommendations

This evidence suggests that the international beauty industry manages to profit at a disproportionate level from the Indonesian eyelash industry by allowing women, models and international celebrities a major beauty-look upgrade at the expense of the marginalized and even the disabled.

The Department of Manpower in Regency 1 has admitted that thousands of workers – a third of those employed in the industry in the area – were being paid far less than the minimum wage (The Guardian, 2013).

The high demand of false eyelashes shows the ugly side of capitalism which takes advantage of the underprivileged labor force. The issue that sets the capitalist system apart from others is the reinvestment of money made from sales back into the production. This system increases the widening gap between the rich and the poor.

The workers were originally referred to as 'free laborers', but this term is misleading as even though they were not forced to work as slaves or serfs by force, they were forced by financial necessity as the only way out of poverty was to take any available employment, giving the workers no alternative. Those who controlled production could get away with paying rock-bottom wages.

The period between the 1500 to the 1800s, right into the Industrial Revolution, was among the bloodiest, most tumultuous times in world history. According to the economists Henry Phelps Brown and Sheila Hopkins, from the 1500s to the 1700s real wages declined by as much as 70%. And right now, the rift is still widening (Brown & Hopkins, 1981).

Currently, the global North depends in large on the labor force of the global South. Researchers estimate those who work in export industries in the global South lose around USD2.8 trillion in underpaid wages each year, when compared to the value of the work they provide to international trade (Hickel, 2020). This can be felt in the case of Katy Perry's eyelash brand, where the company repackages and rebrands the Indonesia fabricated products into Eylure by Katy Perry to obtain an optimal price (The Guardian, 2013).

In addition, satellite workshops may potentially harm the workers. The fragile building which is located in Indonesia, a country with regular environmental disasters like earthquakes, mud slides, and volcanic eruptions, does not inspire a lot of protection for the workers. We need to prevent disasters of happening like in Dhaka where 1,129 workers were killed and about 2,500 injured when a garment factory collapsed. This factory supplied high-street brands around the world such as Zara, Walmart, and Manggo (The Guardian, 2013).

This begs for a proactive response from the regional government to highlight these conflicting issues by defending the local population. They need to be involved in promoting minimum wage through the improvement of the

local employment system in the industry, ensuring that every worker receives reasonable compensation for work performance.

Both central and regional government need to play an active role in changing national regulations, managing manpower, and fostering international technical cooperation to provide proper employment and compensation for all people. They must be given opportunities to progress and excel. This, regardless of their start in life, allowing them, on their own initiative to lead a fulfilling existence.

At the same time, the relationship between employer and the workforce needs to emphasize social security and reevaluation of the collector system. The businesses active in the industry should not exclusively be focused on growth and profit, but instead also improve their social awareness and responsibility at all levels. This through awareness of their industry ecosystem and value chain by consistently being involved in the local communities.

In addition, workers also have right to upgrade their skills and competencies. Hence, providing workers with the right support and a fresh injection of skills and assistance to transition into growing industries especially in the hair industry is vital. This by involving and integrating education and industry in all stages of development to foster mutual collaboration. A strong talent pool will attract foreign direct investment and create new job opportunities.

Synergizing all stakeholders to respond to both industry demands and manpower availability is crucial, as the French economist Thomas Piketty highlighted. Where he pointed out the importance of cooperation between government, educational institutions and business is required to bring the skill ecosystem to the next level for all workers (Piketty, 1997). This since the nature of jobs is changing, and those unable to adapt are guaranteed to face more challenges.

The idea of empathy should be considered as a guideline for the local government to be in touch with the industry owners to resolve the entire social issue in Regency 1 and Regency 2. Taking that in mind, financial conditions of the workers should be brought to a humane level in contrast to the current management system that approaches a modern slavery.

On top of that, the presence of the hair industry in the country should be a tool for the government to achieve “Zero Extreme Poverty by 2024”, a national priority program to eliminate extreme poverty (person's expenditure is less than USD1.9 per day) to zero percent by 2024. This by ensuring that everyone earns what they deserve so that they can fulfil their basic needs and rights.

Regency 1 as the main destination for foreign direct investment (FDI) in the hair industry, becomes one of the regions with the highest number of extreme poor. Hence, this should become local government's attention to regulate working conditions in the hair industry so that the labors would be able to free from poverty and scarcity, and act on their own personal initiative creating a lasting financial independence on their own power.

## 6. Conclusions

This research shows that beauty industry profits are disproportionately high for the hair industry business. It allows global beauties' easy access to an affordable look upgrade at the expense of the marginalized. This begs a regional government response in resolving these conflicting issues through enforcing reasonable compensation and mandatory social security provisions by improving employment system in the region.

The financial and overall welfare of the workers must be a priority and consideration. The government will need to facilitate the improvement of skills and competencies for all the workers so that they realize they have a bargaining position and can be closer involved in the production and workforce management. The central and local governments also must enforce company CSR to increase community welfare. In addition, enforcement of labor welfare standard requirements should be part of the FDI agreement at all levels and all should comply with ILO standards concerning decent and acceptable employment condition.

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