

E ISSN: (2776-7345) P ISSN: (2776-7353)

Bina Bangsa International Journal of Business and Management (BBIJBM) Vol. 4 No. 3, page 367-377, December 2024

POPULATION AND POVERTY IN **INDONESIA**

Anjar Rahmulyana¹, Vanni Fatimah Zahroh², Evi Susanti³

¹Universitas Pendidikan Indonesia ^{2,3} Ilmu Ekonomi, Universitas Bina Bangsa

*Corresponding Email: Vannizahra9@gmail.com¹,

Article History

Received: September 30, 2024 Revised: Nopember 02, 2024 Accepted: December 30, 2024

Abstract

Population and poverty are two interrelated factors in social and economic development in Indonesia. Rapid population growth, especially in urban areas, has increased pressure on natural resources and public facilities, which in turn has exacerbated poverty conditions in many areas. This research aims to analyze the relationship between changes in population structure and poverty levels in Indonesia. Using secondary data from the Central Statistics Agency (BPS) as well as case studies in several provinces, this research shows that inequality in population distribution, low levels of education, and limited access to health services and formal employment are the main factors that exacerbate poverty. Apart from that, this research also highlights the government's efforts to reduce poverty through community empowerment programs and providing infrastructure, although the impact is still limited. It is hoped that the results of this research will provide deeper insight into strategies that are more effective in overcoming the problem of poverty, by considering population dynamics as one of the key factors.

Keywords: Poverty, social inequality, empowerment

DOI:

10.46306/bbijbm.v4i3.111

Web:

http://bbijbm.lppmbinabangsa.id/index.php/home

I. Introduction

Population and poverty are two major interconnected issues that represent significant challenges for development in Indonesia. With a population exceeding 270 million people in 2023, Indonesia ranks as

| Population and Poverty in Indonesia

the fourth most populous country in the world. The dynamics of population growth, which continue to evolve, have profound effects on various aspects of people's lives, including economic conditions, social structures, and overall quality of life. As the population grows, it exerts pressure on the country's resources, infrastructure, and social services, complicating efforts to improve living standards for all citizens (Byaro et al., 2024).

Poverty, although it has declined in recent decades, remains a pressing issue in Indonesia. Despite significant progress in reducing poverty rates, millions of people still live below the poverty line, with many facing challenges in accessing essential services such as education, healthcare, and adequate housing. This persistent poverty contributes to social inequality, affecting individuals' opportunities and quality of life. Furthermore, the vulnerability of the poor to economic shocks, natural disasters, and health crises is heightened, making poverty reduction an ongoing challenge. Therefore, understanding the complex relationship between population growth and poverty is crucial for developing effective and sustainable development policies that can address the root causes of poverty while promoting inclusive economic growth and social well-being. By doing so, Indonesia can better tackle the dual challenge of managing its large population and improving the living conditions of its citizens (Bloomer & Boateng, 2024).

II. Literature Review

2.1 Indonesian Demographic Profile

Large Population: Indonesia is the country with the fourth largest population in the world. This large population is a challenge in itself in efforts to eradicate poverty. (Badan Pusat Statistik .2023). Population Growth: Although population growth has slowed down, the population continues to increase every year. This results in an increased need for resources, including food, jobs and social services. (Badan Pusat Statistik .2023). Age Structure: Indonesia is experiencing a demographic bonus, namely a period in which the proportion of the population of productive age is greater than the population of children and the elderly. This is a great opportunity to increase economic productivity, but also a challenge to create jobs for the younger generation. (Badan Pusat Statistik .2023)

| Population and Poverty in Indonesia

Population Distribution: Population density is uneven. Java Island has a much higher population density than other islands. This has implications for access to public resources and services that vary between regions. (Badan Pusat Statistik .2023). Ethnicity and Culture: Indonesia has very high ethnic and cultural diversity. This can be a strength in development, but can also be a challenge in formulating policies that are right on target. (Badan Pusat Statistik .2023)

III. Methodology

Thomas Malthus, an English economist, is famous for his theory which states that population growth tends to be faster than the growth of food production. This means, if there is no control, the human population will grow exponentially (like a bacterial growth graph), while food production only grows linearly (like a straight line). Implications of Malthusian

IV. Results and Discussion

2.2 Population in Indonesia

- 1. Population Number and Growth Indonesia has a large population and continues to grow. Based on BPS (Central Statistics Agency) data in 2023, Indonesia's population will reach around 276 million people. Indonesia's population growth is relatively high even though there has been a downward trend in birth rates in recent years. Limited natural resources and challenges related to equitable development are often influenced by rapid population growth (Badan Pusat Statistik, 2023)
- 2. Population Distribution The population distribution in Indonesia is very uneven. The island of Java, which only covers about 7% of Indonesia's total area, is inhabited by more than 50% of Indonesia's population. In contrast, areas outside Java, such as Papua, Maluku and Nusa Tenggara, have very low population densities. This

unequal distribution of population causes inequality in development between regions, which affects equal distribution of welfare. (Badan Pusat Statistik, 2023)

3. Age Structure of the Indonesian Population also faces challenges related to the age structure of the population. With a large proportion of young people, Indonesia should have favorable demographic potential (demographic bonus). However, to utilize this potential, it is necessary to improve the quality of human resources (HR) through adequate education, health and skills training. (Badan Pusat Statistik, 2023)

2.4 Impact of Poverty

Poverty has a broad impact, both socially and economically, including:

o Public Health: Poor people often cannot access good health services, making them vulnerable to disease and have low life expectancy.

o Education: Children from poor families often drop out of school due to limited costs and access to quality education, which hinders their social mobility.

o Social Inequality: Poverty causes greater social disparities between rich and poor groups, which can trigger social tensions and conflict.

2.5 Relationship Between Population and Poverty

Rapid population growth can worsen poverty in Indonesia if it is not accompanied by improvements in the quality of human resources and adequate infrastructure. On the other hand, high poverty also contributes to high birth rates, because poor families tend to have more children due to limited access to family planning, education and health services.

In addition, unequal population distribution also exacerbates inequality in access to work, education and other social services. Therefore, a more inclusive and equitable development strategy is needed to overcome this challenge. (Thomas Robert Malthus 1798)

2.6 Poverty Alleviation Efforts and Population Control

- 1. Economic and Infrastructure Development the Indonesian government has attempted to reduce poverty through various economic development policies, such as social assistance programs, the Family Hope Program (PKH), and equitable infrastructure development throughout Indonesia. Good infrastructure development will create new economic opportunities, especially in less developed areas. (Badan Pusat Statistik, 2023)
- 2. Improving the Quality of Education Free education programs and increasing access to education in remote areas are efforts to break the chain of poverty. Quality education can provide better job opportunities for the younger generation, which in turn can improve the standard of living of their families. (Badan Pusat Statistik, 2023)
- 3. Family Planning (KB) Program the KB program is an effort to control population growth. By reducing the birth rate, it is hoped that it can reduce pressure on natural resources and improve people's quality of life. (Badan Pusat Statistik, 2023)
- 4. Increasing Health Access Access to affordable and quality health services is an important step to overcome poverty. The National Health Insurance Program (JKN) is one of the government's programs to ensure that all Indonesian people have adequate access to health. (Badan Pusat Statistik, 2023)

2.7 Regional Inequality and Population Distribution

| Population and Poverty in Indonesia

1. Definition of Regional Inequality

Regional inequality refers to differences in the level of development progress between regions within a country. In the Indonesian context, regional inequality often refers to differences in economic, social, educational and infrastructure indicators between the island of Java and outside Java, as well as between urban and rural areas. This inequality can affect people's quality of life, hinder social mobility, and increase social tension. (World Bank, 2015)

2. Factors Causing Regional Inequality

a. Infrastructure Limitations

Unequal infrastructure, such as transportation, electricity, clean water and health facilities, is a major factor in regional inequality. More developed areas, especially on the island of Java, generally have better infrastructure compared to areas outside Java. This limits economic growth in less developed areas.

b. Access to Education and Health

Quality education and health services are still concentrated in urban areas, especially in provincial capitals and other large cities. In rural or remote areas, people often have difficulty getting access to adequate education and quality health services, which has an impact on their level of well-being and productivity. (World Bank, 2015)

c. Distribution of Natural Resources and Investment

Regional inequality is also influenced by the distribution of natural resources and investment flows. Several regions in Indonesia, especially outside Java, have abundant natural resources, but access to capital, technology and markets is limited. This means that the economic

| Population and Poverty in Indonesia

potential in the region cannot be utilized optimally. (World Bank, 2015)

d. The Role of Central Government and Development Policy

Development policies that focus more on economic centers on the island of Java often ignore other areas. Although the government has made various efforts to reduce regional inequality, such as through special allocation funds (DAK) and regional autonomy, the results have not been evenly distributed (World Bank, 2015)

C. Population Distribution in Indonesia

1. Population polarization between Java and outside Java

Most of Indonesia's population is concentrated on the island of Java, which only covers about 7% of Indonesia's total area, but is home to more than 50% of the country's population. On the other hand, areas outside Java, although they have a much larger area, are only inhabited by around 40% of the population. This inequality shows how the distribution of population is very unequal, which has an impact on equitable development. (Soedjati Djiwandono)

2. Factors Causing Unequal Population Distribution

a. Economic Factors

Java, especially Jakarta, Surabaya and Bandung, is the largest economic and trade center in Indonesia. This region offers more jobs and economic opportunities compared to other areas, making it a magnet for population migration from areas outside Java. Many people from poor or disadvantaged areas come to Java looking for work, which exacerbates overpopulation in the region. (Soedjati Djiwandono)

b. Access to Infrastructure and Public Services

| Population and Poverty in Indonesia

Areas that have better infrastructure and public facilities, such as education, health and transportation, tend to be more attractive for residents to settle. This causes increasingly rapid urbanization in big cities, while remote areas outside Java find it difficult to attract greater population migration. (Soedjati Djiwandono)

c. History and Settlement Patterns

Colonial history and development planning that focused more on certain areas in the past, such as Java, have created a centralized settlement pattern. This causes inequality in population growth between more developed regions and less developed regions. (Soedjati Djiwandono)

D. Efforts to Overcome Regional Inequalities and Population Distribution

1. Equitable Infrastructure Development

One of the main steps to reduce regional inequality is to accelerate infrastructure development in underdeveloped areas, especially outside Java. Programs such as building roads, transportation networks and other basic facilities need to be expanded to areas that need them.

2. Decentralization and Regional Autonomy

Regional autonomy policies that give local governments more power to manage local resources can help improve development in more remote areas. Thus, these regions have the opportunity to develop their own economic potential.

3. Improving the Quality of Education and Skills Training

Equitable education and skills training can be the key to reducing social inequality. By increasing access to quality education in

| Population and Poverty in Indonesia

disadvantaged areas, communities can be better prepared to face global economic challenges and create new job opportunities in their region.

4. Encourage Economic Development in Regions Outside Java

The government needs to create policies that encourage investment outside Java, especially in sectors that suit the potential of each region, such as tourism, agriculture or creative industries. This will help reduce economic dependence on Java.

V. Conclusion

Population and poverty are two problems that are interrelated and influence each other in Indonesia. Rapid population growth can worsen the problem of poverty if it is not balanced by improving the quality of human resources and equitable development. Therefore, holistic and integrated policies, involving the economic, social, educational and health sectors, are very necessary to overcome this problem. Reducing poverty rates and controlling population growth will lead Indonesia towards more sustainable and inclusive development.

References

- Anggraeni, A. P., & Nugroho, A. A. (2022). Evaluasi Kebijakan Pkh (Program Keluarga Harapan) Di Indonesia. *Journal of Public Policy and Applied Administration*, 4(2), 39–54. https://jurnal.stialan.ac.id/index.php/jplan/article/view/529
- Mansur, Y. (2024). Analisis Perkembangan Penduduk Miskin, Karakteristik Kemiskinan dan Kedalaman Kemiskinan di Indonesia. *Jurnal EMT KITA*, 8(1), 18–31. https://doi.org/10.35870/emt.v8i1.1930
- Nafi, B. (2021). Analisis Faktor-Faktor yang Dapat Mempengaruhi Pengentasan Kemiskinan di Indonesia (2016-2019). *Jurnal Ilmiah Ekonomi Islam*, 7(02), 953–960.
- Nujum, S., & Nusran, M. (2021). Reinvensi Kebijakan Pembangunan, ketimpangan dari kemiskinan di Indonesia. *Kiprah Kader Kahmi Di Medan Perjuangan: Setangkai Bunga Rampai*.

| Population and Poverty in Indonesia

http://repository.umi.ac.id/1425/1/6. 2021-Book Chapter-Reinvensi Kebijakan Pembangunan.pdf

Piliang, M. Z. (2023). Kemiskinan, Kesenjangan Pendapatan, dan Bantuan Sosial.

Attanmiyah: Jurnal Ekonomi Dan Bisnis Islam, 2(2), 262-284.

- BPS Indonesia. (2024). STATISTIK Profil Kemiskinan di Indonesia. *Profil Kemiskinan Di Indonesia Maret*, 07(50), 3-7.
- Syahputra, H. W. (2021). Proses Integrasi dan Implementasi Sustainable Development Goals (SDGs) dalam Pengentasan Kemiskinan di Provinsi Riau. Jurnal Sumber Daya Manusia Unggul (JSDMU), 2(1), 6-13.
- Putra, R. E., & Putera, R. E. (2022). Evaluasi e-Warong sebagai Upaya Pengentasan Kemiskinan di Kota Padang. Journal of Social and Policy Issues, 21-26.
- Kogoya, T., Kasenda, V., & Pangemanan, F. N. (2023). Implementasi Kebijakan Pemerintah Dalam Pengentasan Kemiskinan di Distrik Nunggawi Kabupaten Tolikara Provinsi Papua. GOVERNANCE, 3(1).
- Nuryanto, N., Kartiningrum, B., Primadi, M. P., Pindi, K. A. R., Nugroho, T., & Widayanti, S. (2022). Strategi Pemerintah Daerah Kabupaten Pacitan dalam Pengentasan Kemiskinan. Journal of Indonesian Rural and Regional Government, 6(2), 155-165.
- Poluakan, M. V., Raharjo, S. T., & Nurwati, N. (2020). Strengths-Perspective Sebagai Penguatan Dalam Pengembangan Kebijakan Sosial Pengentasan Kemiskinan Di Indonesia. Sosio Informa, 6(1).
- Habibah, A. N., Ghafur, R. A., Anggraeni, E., & Malik, A. (2020). Peran kebijakan fiskal Islam dalam mengentas kemiskinan melalui program keluarga harapan. Jurnal Ilmiah Ekonomi Islam, 6(2), 251-258.
- Fitasari, K. (2023). Policy Paper: Kebijakan Pengentasan Kemiskinan Kabupaten Sragen. Journal of Management, Economic and

| Population and Poverty in Indonesia

Accounting (JMEA), 29-39.

Sari, D. T., Khusna, N. I., & Wulandari, F. (2023). Analisis Tingkat Kemiskinan di Provinsi Jawa Tengah: Suatu Kajian Berdasarkan Faktor Pendidikan, Sosial, Ekonomi, Lokasi dan Pembangunan Manusia. Jurnal PIPSI (Jurnal Pendidikan IPS Indonesia), 8(1), 37-50.