

POVERTY IN URBAN AND RURAL AREAS

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Abstract

Poverty is a complex social issue that affects many aspects of human life. This study aims to analyze the factors contributing to poverty in urban and rural areas, as well as its impact on social, economic, and environmental life. The research method used is a qualitative approach with a comparative analysis of poverty in urban and rural areas. The results of the study indicate that poverty in urban areas is primarily influenced by urbanization, unemployment, and income inequality, while in rural areas, it is more influenced by dependence on the agricultural sector, inadequate infrastructure, and low levels of education. The impacts of poverty are visible in various aspects, ranging from education, health, to excessive exploitation of natural resources. Furthermore, this study also found significant differences in the severity of poverty and the necessary solutions between urban and rural areas. Poverty alleviation requires a locally-based approach that involves cooperation between the government, NGOs, and the community, with a focus on improving access to education, health, and economic empowerment.

Keywords: Poverty, Urban, Rural, Social Impact, Economic, Environmental, Poverty Alleviation.

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INTRODUCTION

Poverty is one of the global challenges that affects various aspects of human life. In general, poverty can be defined as a condition where an individual or

group is unable to meet basic needs such as food, clothing, shelter, education, and healthcare. The World Bank defines poverty as earning less than the national or international poverty line. Poverty not only reflects a lack of economic resources but also limited access to opportunities that support well-being (Todaro & Smith, 2020).

The characteristics of poverty in urban and rural areas differ significantly. In urban areas, poverty is often associated with uncontrolled urbanization, unemployment, and high living costs. The poor in urban areas tend to live in overcrowded slums with limited access to basic services such as clean water and sanitation (Ravallion, 2019). In contrast, poverty in rural areas is more driven by dependence on traditional agricultural sectors, low education levels, and inadequate infrastructure. These differences reflect the complexity of poverty, which requires a specific approach tailored to each geographic context (Chambers, 2021).

Studies on poverty in a geographical context are essential to understand the causes and impacts on society. A deep understanding of the differences between urban and rural poverty can help formulate more effective and sustainable policies for poverty alleviation. Furthermore, this research contributes to supporting the Sustainable Development Goals (SDGs), particularly the first goal, which is to eradicate poverty in all its forms everywhere (United Nations, 2020).

LITERATURE REVIEW

1. Theories on Poverty

Poverty has become the focus of various social and economic theories aimed at understanding its root causes and dynamics. One of the well-known theories is the Structural Theory, which posits that poverty is caused by unjust social and economic structures, such as unequal wealth distribution, limited access to resources, and social discrimination (Giddens, 2021).

On the other hand, Individual Theory argues that poverty is due to individual factors, such as a lack of skills, motivation, or education. This perspective highlights the importance of developing individual capacities as a solution to poverty alleviation (Becker, 2018).

Additionally, the Culture of Poverty Theory introduced by Oscar Lewis suggests that poverty creates a subculture passed down through generations. This subculture influences values, behaviors, and mindsets, causing individuals to remain trapped in a cycle of poverty (Lewis, 2019).

Modern theories, such as Multidimensional Poverty Theory, emphasize that poverty is not solely determined by low income but also by limitations in access to education, healthcare, and economic opportunities (Sen, 2020).

2. Previous Studies on Poverty in Urban and Rural Areas

Several studies have analyzed the differences in poverty between urban and rural areas. Research by Ravallion (2019) found that poverty in urban areas is largely influenced by high living costs, unemployment, and lack of access to decent housing. This study also highlights that uncontrolled urbanization exacerbates social inequalities in urban areas.

In contrast, research by Chambers (2021) revealed that poverty in rural areas is often linked to low productivity in the agricultural sector, inadequate infrastructure, and limited access to markets. This study also emphasizes the crucial role of rural development as a key strategy to reduce overall poverty.

Meanwhile, a more recent study by the United Nations (2020) indicates that poverty alleviation strategies must be tailored to local contexts, considering the significant differences in the characteristics and needs of the poor in urban and rural areas. A holistic approach, which includes strengthening economic capacity, access to education, and healthcare services, is seen as a more effective solution.

3. Concepts and Indicators for Measuring Poverty

Poverty can be defined as a condition in which individuals or groups are unable to meet basic needs such as food, clothing, shelter, education, and healthcare. The concept of poverty is divided into two main categories, namely:

- 1) Defined based on the poverty line, which sets the minimum income or expenditure threshold needed to meet basic needs. This approach is typically used to measure extreme poverty, as defined by the World Bank (Ravallion, 2019).
- 2) Refers to the inability of an individual to achieve a living standard deemed acceptable within a particular society. This approach takes into account income inequality and access to basic services (Sen, 2020).

Main indicators used to measure poverty include:

- 1) The minimum income or expenditure needed to meet basic needs.

- 2) Measures the average gap between the income of the poor and the poverty line (Todaro & Smith, 2020).
- 3) Considers various dimensions beyond income, such as education, healthcare, and standard of living (United Nations, 2020).

4. Policies Related to Poverty Alleviation

Poverty alleviation has been the focus of various government policies and international organizations. Several policy approaches commonly implemented include:

- 1) Providing direct cash transfers, food subsidies, and health insurance programs to protect the poor from economic risks. For example, Indonesia's Family Hope Program (Program Keluarga Harapan, PKH) (Ministry of Social Affairs of the Republic of Indonesia, 2020).
- 2) Enhancing the quality of education and vocational training to empower the poor to become competitive in the labor market (Becker, 2018).
- 3) Improving access to roads, irrigation, and basic services like electricity and clean water to support rural economies (Chambers, 2021).
- 4) Promoting entrepreneurship, supporting small and medium enterprises (SMEs), and providing access to financing through microcredit programs (Todaro & Smith, 2020).

METHODOLOGY

1. Research Type

This research uses a quantitative method, aiming to systematically and measurably analyze the phenomenon of poverty through statistical data. The quantitative method was chosen for the following reasons:

- 1) **Ability for Generalization**
This method allows the researcher to obtain a broad overview of poverty levels in urban and rural areas by using survey or secondary data.
- 2) **Accuracy and Replicability**
Statistical analysis provides objective results, enabling the measurement of variables such as income levels, poverty indices, and access to basic services.
- 3) **Focus on Variable Relationships**
This study explores the relationship between various factors such as education, health access, and economic conditions in relation to poverty levels.

This quantitative research is conducted with both descriptive and analytical approaches, where data is collected, processed, and analyzed to provide insights into the differences in characteristics and causes of poverty in urban and rural areas.

RESULTS AND DISCUSSION

1. Causes of Poverty in Urban Areas

Poverty in urban areas is often influenced by several factors that interact in a complex manner. Some of the primary factors contributing to high poverty levels in urban areas include urbanization, income inequality, and limited access to housing and basic facilities. Here's a more detailed explanation of each factor:

a. **Urbanization and Unemployment** Urbanization, which occurs when rural populations migrate to cities in search of better job opportunities and living conditions, often has negative effects, including increased poverty. One of the reasons for this is the lack of adequate job opportunities in large cities, leading to high unemployment rates. Many of the migrants from rural areas have lower education levels or limited skills, making it difficult for them to compete in the competitive labor market (Glaeser, 2020).

Data collected reveals that urban areas have a higher unemployment rate compared to rural areas, which significantly contributes to poverty levels. Many people live in slum areas or informal settlements and struggle to find stable employment (Kusuma, 2021).

b. **Income Inequality** Income inequality in large cities is often stark. These cities tend to have higher economic disparities, with a small portion of the population enjoying substantial wealth, while the majority lives below the poverty line. This phenomenon is exacerbated by uneven job distribution, where high-paying jobs are concentrated in certain sectors such as technology, finance, and creative industries, while the majority of the population works in

low-wage jobs in the informal sector (Piketty, 2020).

According to BPS data (2022), income inequality in large cities is widening, with an increasing number of workers earning minimum wage and unable to access affordable basic services. This inequality worsens poverty in these urban areas.

c. **Limited Access to Housing and Basic Facilities** One of the key factors exacerbating poverty in urban areas is the limited access to adequate housing and other basic facilities, such as clean water, electricity, and sanitation. In many large cities, high land prices make it difficult for the poor to buy or rent decent housing. Most of them live in slums, which lack adequate basic facilities.

Additionally, public services such as healthcare and education are often not accessible to the poor in urban areas, trapping them in a cycle of poverty due to the lack of access to improving their quality of life and socio-economic opportunities (Bappenas, 2021).

Data from the Ministry of Public Works and Public Housing (2022) indicates that approximately 60% of the urban population resides in informal settlements that lack access to essential services.

2. Causes of Poverty in Rural Areas

Poverty in rural areas is often caused by various factors related to resource limitations, infrastructure, and economic opportunities. Some of the main factors contributing to poverty in rural areas include dependence on the agricultural sector, limited infrastructure, and low levels of education. Below is a more detailed explanation of each factor:

a. **Dependence on the Agricultural Sector** The majority of the population in rural areas relies on the agricultural sector as their primary source of livelihood. This dependence often traps them in poverty because the agricultural sector in rural areas is generally vulnerable to weather changes,

crop failures, and market price fluctuations. Moreover, available farmland is often limited and unproductive, meaning agricultural output is insufficient to improve the welfare of the rural population (Mellor, 2020).

Data collected shows that in rural areas with a high dependence on agriculture, poverty levels are higher compared to areas with a more diversified economy. This condition is worsened by limited access to modern agricultural technologies that could increase productivity (BPS, 2022).

b. Limited Infrastructure The lack of infrastructure in rural areas also worsens poverty. Many rural areas do not have adequate access to roads, electricity, clean water, and healthcare facilities. This infrastructure limitation restricts mobility and access to markets and basic services, hindering their opportunities to increase income and improve their quality of life (Sadikin, 2021).

According to a report from the National Development Planning Agency (Bappenas) in 2021, around 40% of rural areas in Indonesia still lack access to basic infrastructure. This makes it more difficult for rural communities to access a broader labor market and be isolated from the economic developments present in urban areas.

c. Low Education Levels Low education levels are also a contributing factor to poverty in rural areas. Low education restricts individuals' ability to acquire the necessary skills to enter a more productive and skilled labor market. In many rural areas, schools with adequate facilities are scarce, and access to higher education is often not available (Nugroho, 2020).

According to data from the Ministry of Education and Culture (2021), the education participation rate in rural areas is much lower compared to urban areas, which impacts individuals' ability to obtain better jobs with decent wages. Most of the rural population with low education levels work only in the informal sector or agriculture, which results in very limited income.

3. Comparison of Poverty in Urban and Rural Areas

The comparison between poverty in urban and rural areas shows different patterns and severity levels, as well as differences in needs and solutions required to address poverty. Below is a discussion of these three aspects:

a. Poverty Patterns

The patterns of poverty in urban and rural areas have distinct characteristics. In urban areas, poverty is often linked to unemployment, income inequality, and limited access to adequate housing. Many poor residents in large cities live in slums or areas that lack basic facilities. On the other hand, in rural areas, poverty is more frequently associated with dependence on the agricultural sector and the inability to access markets or technologies that could improve agricultural productivity (Glaeser, 2020; Mellor, 2020).

Poverty in urban areas is also more heterogeneous, encompassing various social strata, while poverty in rural areas tends to be more homogeneous, where most people rely on one economic source, namely agriculture (BPS, 2022).

b. Severity of Poverty

The severity of poverty in urban and rural areas also differs. In large cities, although poverty is more spread out and not immediately visible, high-income inequality creates a significant divide between the rich and the poor. The poor in urban areas often struggle to meet basic needs such as housing and healthcare, which worsens the severity of poverty (Sadikin, 2021).

In rural areas, poverty is more evident in terms of limited access to infrastructure, education, and adequate healthcare services. The severity of poverty in rural areas is more influenced by dependence on the agricultural sector and weather changes that threaten the continuity of their agricultural

livelihood (Nugroho, 2020).

c. Differences in Needs and Solutions

The differences in needs and solutions between urban and rural poverty are evident in the approaches to poverty alleviation. In urban areas, the solutions needed are more focused on increasing access to employment, quality education, as well as improving housing facilities and infrastructure. Economic empowerment through job creation and skills training is essential to reduce unemployment and improve the quality of life (Piketty, 2020).

In rural areas, the solutions required are greater access to agricultural technology, provision of adequate infrastructure such as roads, clean water, and electricity, as well as education to enhance skills and income for rural communities. Programs supporting food security and the sustainability of the agricultural sector are also crucial in addressing poverty in these regions (Bappenas, 2021).

4. Impact of Poverty

Poverty not only affects individual well-being but also impacts various aspects of social, economic, and environmental life. Below is an explanation of the impact of poverty in these three dimensions:

a. Social: Education, Health, and Security

Poverty has significant social impacts, especially regarding access to education and healthcare services. Poor populations, whether in urban or rural areas, often lack adequate access to quality education. They are forced to sacrifice education to meet daily living needs, which in turn exacerbates the intergenerational cycle of poverty. In rural areas, for example, many children are compelled to work in agriculture and cannot continue their education at higher levels (Glaeser, 2020).

Additionally, poverty impacts public health. Poor families often cannot

access adequate healthcare services, leading to higher infant mortality rates, infectious diseases, and malnutrition. This situation is further aggravated by a lack of health awareness among poor families, which may prevent them from knowing how to maintain their health and that of their families (Sadikin, 2021).

Another social impact is increased insecurity. People living in poverty are often vulnerable to criminal activities, both as perpetrators and victims. Inability to meet basic needs triggers criminal behavior, including theft, violence, and other crimes (Piketty, 2020).

b. Economic: Community Productivity

Poverty also has a major impact on the economic productivity of communities. Poor individuals often lack the necessary skills to participate fully in the labor market. As a result, they can only work in informal sectors or with very low wages, which are insufficient to meet basic living costs. On the other hand, poverty hinders access to capital and technology needed to improve work productivity (Mellor, 2020).

Poverty also leads to reduced purchasing power, which decreases demand for goods and services, directly affecting economic growth. Lack of access to quality education also hampers skill development among the workforce, ultimately impacting the nation's competitiveness in the global economy (Bappenas, 2021).

c. Environmental: Exploitation of Natural Resources

On the environmental level, poverty often leads to excessive exploitation of natural resources. Poor communities, especially those dependent on agriculture, tend to exploit natural resources without considering the long-term impacts. Practices such as illegal deforestation, illegal mining, and the use of harmful chemicals in agriculture are often carried out by the poor to meet their livelihood needs (Nugroho, 2020).

This excessive exploitation can damage ecosystems, reduce biodiversity, and worsen climate change. Additionally, the lack of environmental awareness among the poor exacerbates these impacts. Therefore, poverty alleviation efforts need to be accompanied by initiatives to protect the environment to achieve long-term sustainability (BPS, 2022).

CONCLUSION AND RECOMMENDATIONS

1. Conclusion

a. Summary of Key Findings

This research reveals that poverty in urban and rural areas exhibits distinct characteristics in terms of patterns, severity, and impacts. In urban areas, poverty is heavily influenced by urbanization, unemployment, and income inequality. The poor in urban areas often face issues related to inadequate housing, limited access to basic services, and insufficient job opportunities. In contrast, rural poverty is closely linked to dependency on the agricultural sector, limited infrastructure, and low levels of education.

The impacts of poverty are varied and encompass social, economic, and environmental aspects. Socially, poverty affects education, health, and security. Economically, it results in low community productivity, while environmentally, it leads to excessive exploitation of natural resources.

b. Significant Differences Between Urban and Rural Poverty

Poverty in urban areas is more influenced by social and economic inequality, with unemployment and income disparity being the primary drivers. On the other hand, rural poverty is closely tied to agricultural dependency, limited infrastructure, and poor educational quality. The urban poor face challenges with limited access to formal employment and housing, whereas the rural poor primarily struggle with limited access to agricultural technology and markets.

2. Recommendations

a. Suggestions for Government, NGOs, and Communities

The government needs to focus on improving education and healthcare in impoverished areas, both urban and rural, with a particular emphasis on the development of basic infrastructure such as housing, roads, and electricity. Skills training programs and job creation initiatives should also be enhanced to reduce unemployment, particularly in urban areas.

For NGOs, they can play a significant role in providing education and skill training for the poor, as well as facilitating access to healthcare services and social assistance. They

can also collaborate with the government to implement community-based poverty alleviation programs.

Communities should actively raise awareness about the importance of education, health, and environmental protection. They can also participate in local economic development programs that can improve income levels and quality of life.

b. Local-Based Poverty Alleviation Strategies

Local-based poverty alleviation strategies should involve approaches tailored to the specific conditions and potential of each area. In urban areas, the main focus should be on economic empowerment through skills training, job creation in informal sectors, and improving access to adequate housing. In rural areas, more effective strategies include enhancing access to agricultural technology, building basic infrastructure, and providing better educational and healthcare services. These local-based approaches ensure that solutions are relevant and aligned with the specific needs of each region, helping to accelerate the poverty alleviation process.

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