RURAL AND URBAN POVERTY IN DEVELOPING COUNTRIES

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Abstract
As poverty has been regarded as multifaceted involving financial and non-financial dimensions, defining poverty appears to be demanding especially when it is related to impoverishment in specific areas with particular characteristics. Consequently, in order to enable mitigation of poverty to obtain right solutions for the right situations in the right places, several factors of poverty need to be investigated through its classification into rural or urban poverty issues. Thus, this study aims at finding out urban and rural poverty issues regarding their several distinct features and similarities through literature study approach. Our finding reveals that rural poverty is considered much more extensive than urban poverty especially as it is related to difficulties in the infrastructural access/basic service limitations to run the economic activities. However, although urban poverty is less extensive, the complexity seems to be higher than rural poverty due to unhealthy life conditions in addition to basic service shortages.

Keywords: Rural, Urban, Poverty & Developing Countries.

INTRODUCTION
Poverty has always been multifaceted and complex in nature. Commonly, poverty has been contemplated as a result of income deprivation. However, it is undeniable fact that poverty is not merely determined through economic perspective but other essential determinants. Its coverage of many aspects including material and non-material contributes to its complexity. Thus, a careful conceptualisation of poverty might be advantageous in order to find the best solution. Therefore, sophisticated measures might be the result of careful analysis of the nature of poverty.

International community has initiated the framework to eradicate poverty through UN MDGs. In fact, poverty eradication has been set as the top list of MDGs together with eradication of hunger. As a consequence, poverty eradication mission through MDGs has resulted in remarkable achievement by halving the numbers of people living under poverty line (United Nation 2014). However, as the latest MDGs report published by United Nation (2014) mentions, although developing countries in South Eastern Asia and Eastern Asia have reached the target of halving the proportion of absolute poor residents, overall poverty reduction benefit seems uneven as other developing countries in Southern Asia and Sub-Saharan Africa are still lagging behind the target. Hence, there seem to be problems encountered in developing and implementing the mission.

Developing countries have always been recognised through its poverty prevalence. The wide spread of poverty is a crucial determinant of why they are considered as a “developing” or “poor”. Although the proportion of poor is halved in some developing countries, it is not the end of struggle. This is because other related aspects of poverty remain unsolved everywhere particularly in developing countries without any exception. Thus, other factors should be investigated in order to enable the creation of better poverty alleviation strategy.

Demographic factor particularly in terms of location, rural or urban, should be taken into consideration as important determinant of poverty. The location analysis might be very helpful in developing strategy to
combat poverty since rural and urban has its own poverty characteristics. Rural poverty seems to be more frequent especially in developing countries due to its remoteness and other numerous aspects of deprivation. On the other hand, although urban poverty seems to be less significant compared to rural poverty, the discussion regarding this poverty phenomenon is imperative due to its complexity and increasing number of urban dwellers since 1980s in new mega-cities (Wratten 1995). Hence, the investigation into similarities and differences between rural and urban poverty is considered very sensible since it may lead to the creation of more careful strategy which may be adopted in the right place.

Therefore, this paper aims to critically analyse and explore the similarities and dissimilarities of urban and rural poverty with examples from some developing countries. First it will discuss the general concept of poverty and how it is measured. Second it will look at deeper pictures of rural poverty and its characteristics. Third, it will investigate urban poverty condition and its aggregates. Finally, it will reveal similarities between two types of poverty and recommend measures to deal with the phenomena.

Defining Poverty Concept

Prior to discussing rural and urban poverty in a deeper picture, carefully defining and measuring poverty is pivotal since inappropriate interpretation of poverty may result in imperfect measures. Most of poverty definitions proposed by scholars always associate with deficiency. However, there has not been any consensus about specific term of deficiency (Wratten 1995). Consequently, poverty concept remains intricate and complicated to define and measure (Wratten 1995, Clunies-Ross et al. 2009).

Some scholars have enforced commendable attempts to define the complexity of poverty and to explain the ways to measure it. One of poverty definitions has been written by Clunies-Ross et al. (2009) in their book “Development Economics” by

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extreme poverty category. Another poverty line accounting for less than 1.25 USD incomes per capita per day is used by the United Nation to measure extreme poverty in MDGs report (United Nation 2014). In addition to this, Clunies-Ross et al. (2009), contend that there has been a general agreement to measure poverty through PPP (Purchasing Power Parity) equivalent of 2 USD per day. Thus, they delineate that disposable income less than PPP per capita is regarded as income poverty and extreme poverty is considered when disposable income per individual is less than 1 USD per day. However, material based measurement seems to be rather narrow, covering only the surface of poverty situation rather than reaching the root problems of poverty. Thus, to investigate rural and urban poverty, this paper will look at many facets of poverty encompassing social, politics, physical, environment and some other crucial dimensions in addition to income.

Rural Poverty

Having said that in developing countries a substantial proportion of impoverished residents inhabit in rural areas (Khan 2000). In fact, rural poverty in developing countries accounted for 63% of overall world’s poverty, reaching 90% in Bangladesh and China and ranging from 65% to 90% in Sub-Saharan African Countries, while impoverishment in Latin America is concentrated in urban residences (World Bank 2000). However, although urban poverty in Latin America is higher than rural poverty since the total population is less in rural areas accounting for 40%, the majority of poorest inhabitants reside in rural areas (Valdes 2000). Moreover, more recent poverty rate data suggests that approximately 76% of impoverished population reside in rural areas and this percentage exceeds overall percentage of world’s rural population accounting for 58% (Dercon 2009). For example, in narrower scope, Indonesia has been recognised with its high rural impoverishment with 18.08 poor residents out of 28.59 million of total poor live in rural regions in 2012 (Central Bureau of Statistics 2013). Thus, overall description regarding the number of poor residents above shows the high prevalence of poverty indices in rural areas, which should be paid more attention.

Another concern is regarding who rural poor are. The identification of rural poor is beneficial in order to understand the process of poverty affecting their lives (Khan 2000). According to Todaro and Smith (2003), extremely rural poor mainly consist of low paid farm labours or small farmers who heavily rely on agriculture as subsistence and 55% of the total number of rural poor are women. In fact, this phenomenon is also happening in Indonesia, in which agriculture is the main means of subsistence of rural residents and the highest poverty indices are always found in agricultural sectors (Suryahadi et al. 2009). Similarly, in Vietnam, high incidence of poverty still concentrates in rural areas mainly occupied by ethnic minorities in which agriculture is also their fundamental source of income (Hong et al. 2013, General Statistic Office 2012). The situation of rural impoverishment might be similar in other underdeveloped countries in which agricultural sectors seem to be an essential determinant contributing to rural poverty. Thus, it seems that agriculture capacity enhancement should be a fundamental basis of poverty alleviation effort.

However, in addition to agriculture sector viewed as a basic premise in redressing rural poverty, other strategies regarding development of other sectors seem to be more sensible since rural residents are not homogenous community. Khan (2000), classifies rural poor into several groups. He started by mentioning small-land holder as the first type of poor rural. This group usually cannot sustain their income through small proportion of land and incline to migrate to towns to get out of agricultural sectors. Indeed, in rural African countries, this group of people have less social standard (Oya 2010). Another
major feature of rural poverty mentioned by Khan is landlessness. Landless group without skill are considered the poorest group among rural poor since they heavily depend on seasonal labour demands in either agriculture or off-farm work. Artisans working in the small-scale local industries and pastoralists who depend on their livestock are other vulnerable communities contributing to poverty rate in rural areas (Khan 2000). Thus, besides the investment through agriculture, developing potential sectors in the communities such as livestock industries, small-scale industries, and tourism might be beneficial in enhancing rural livelihoods and reducing rural poverty.

Considerable percentages of poverty incidences in rural areas of developing countries have raised the concerns on investigating mitigation measures to combat rural poverty. To enable deeper investigation, it is worth investigating underlying factors behind adverse rural poverty unravelled by some scholars. Khan (2000), argues that policy biases overlooking the development of rural areas might be considered as an important underlying factor inhibiting development of rural areas. Urban bias regarding overconcentration on urban development in terms infrastructures and other public services provision is a part of policy biases (Khan 2000). For instance, in the case of Indonesia in which rural regions scattered in thousands of islands, lack of basic infrastructure such as roads, schools, hospitals, and means of transportation hampering rural development is very obvious and it is regarded as a major problem of persistent rural poverty (Voss et al. 2008). Voss et al. (2008), argue that improvement of basic infrastructure is an integral part of development especially in enhancing economic growth in rural areas. Moreover, Infrastructure is considered as a crucial physical asset of rural inhabitants (Ellis 2000). Thus, insufficient infrastructure may lead to perpetuation of rural poverty especially in the case of Indonesia (Sumarto and Widyanti 2008) and other developing countries.

Moreover, inadequate public service such as health care service and school may considerably contribute to persistent rural poverty. In fact, concerning health issues, due to insufficient health care service in rural areas, maternal mortality rate in developing countries is always considered higher than in urban areas (Montgomery 2009). High maternal mortality and malnutrition rates are also experienced by rural Indonesians (Comola and Mello 2010). Hence, lack or even unavailability of health care facilities and services in rural regions should be apparent reason behind the issues (Suryahadi et al. 2010).

Deficiency of financial capital regarded as another important asset mentioned by Ellis (2000) might be a crucial underlying factor behind rural poverty. Indeed, the availability of funds is very beneficial to enhance agricultural sectors for smallholder farmers and to start off-farm business for landless rural dwellers (Syukri et al. 2013, Ellis 2000). However, the access to financial capital for poor rural inhabitants in developing countries seems to be limited. For instance, in Vietnam, although government has formed national agency assigned to provide loans, the outreach appears not to cover ethnic minorities as major recipients (World Bank and DFID 2009, ARD 2008). Consequently, this phenomenon seems to perpetuate poverty among rural dwellers in Vietnam and other developing countries.

Another key factor of rural poverty is unequal access to land or concentration of land ownership (Khan 2000). Land is fundamental asset of rural livelihoods and affordable, secure, and safe land is necessary to increase income (DFID 2002) especially in agrarian rural societies (Jayne et al. 2003). Again, the high level of dependency on land is due to job opportunities diversification shortage. Indeed, poverty incidence is often linked to the size of landholding of rural dwellers (Ali and Penia 2003). For example, in most of African countries, where poverty indices considered high, severe land inequalities still persist (Jayne et al. 2003) and the similar case is still
found in rural Indonesia (Syukri et al. 2013). As a result, this unevenness of land ownership has devastating impact on economic growth in which smallholder land and landless residents benefit less than more affluent household owning more land (Khan 2000, Gugerty and Timmer 1999)

**Urban Poverty**

Urban poverty is another challenge confronted by developing countries, which should not be trivialised from the discussion. Indeed, several studies conducted in Asian, Latin American, and African countries found that more than 50% urban inhabitants live below poverty line during 1980s (Tabatabai and Fouad 1993). This trend seems to increase substantially over time. In fact, the percentage of urban poor in developing countries, which was measured by poverty line (less than 1 USD a day) escalate from 19% to 24% from 1993 to 2002 (Ravallion 2007). Moreover, Ravallion (2007), shows that based on the trend, urbanisation of poverty happening in Latin American countries seems faster than in Asian countries.

The unprecedented increasing pattern of urban poverty in all developing countries appears to be a result of massive urbanisation and growing numbers of new mega cities (Elhadary and Samat 2012, Ravallion 2007). As a result, the high speed of urban population expansion engenders difficulties for government particularly in managing urbanisation problems in terms of fulfilling the demands of public service provisions such as infrastructure, decent housing, and job opportunities (Elhadary and Samat 2012). Moreover, this is because the ability of government and the resource obtained in urban areas is insufficient to cater massive urbanisation influx (Samat 2002). In other words, rural poverty occur when demands of urban dwellers is over the capacities of urban areas to offset the shortages.

Although impoverishment in rural residence seems to be much more extensive than in urban areas, the condition of urban poverty appears to be more complex than in rural areas in both income poverty and other social aspects of poverty particularly health. For example, concerning environmental and health situation, urban poor seem to be more susceptible to environmental and health problems caused by hazardous overcrowded housing (slums), industrial and transportation pollution, inadequate clean water supply and sanitation, and traffic congestion risk (Wratten 1995) while in most rural areas living space and water supply is still more abundant although there are remaining issues related to clean water system (Montgomery 2009, Satterthwaite 1997). In fact, in Mexico, in addition to traffic-related injuries, water borne diseases such as diarrhoea and pneumonia have also been considered as the major causes of urban disability and death (Montgomery 2009).

Moreover, living cost encompassing housing and utilities cost, school and health care fee, food and transportation cost in urban settlements appears to be much more higher than rural residences which makes urban inhabitants more vulnerable to extreme impoverishment (Satterthwaite 1997). Due to high living cost demands, Satterthwaite (1997) suggests that urban dwellers obviously need considerably higher cash income flows to avoid impoverishment. Consequently, he moreover argues that poverty line set to measure urban and rural poverty should be dissimilar since the urban household expenditure seems to be much higher than that of rural household. Thus, environmental and health risks as well as living cost issues above appear to distinguish urban poverty to rural poverty in terms of its complexity.

**Similarities of Rural and Urban Poverty and Measures**

Several distinct features between rural and urban poverty have been discussed especially regarding rural poverty characteristic which is often associated with agriculture and policy biases while urban poverty is connected...
to environmental or health risk and high living expenses. However, despite several typical features there are also similarities especially in terms of complex access to public service provision including education and health in which both rural and urban poor could not fully benefit (Montgomery 2009, Satterthwaite 1997). The condition of “access” term here might be different. For instance, rural poor may lack access to health and education due to health care facilities and professional shortage, transportation cost to reach health centres and schools, and health service and education cost (Suryahadi et al. 2010). On the other hand, urban poor might have numbers of school and health canters, but they cannot afford to pay for expensive health services and education fees (Satterthwaite 1997). Nevertheless, with regards to deficiency of access especially subsidised access, both cases are similar. Thus, improving subsidised health services and education access should be an integral scheme, although the approach might be little bit dissimilar.

Another similarity is regarding limited resources or assets especially human capital and financial capital as stated by Ellis (2000) in his article. Indeed, both rural and urban poor have low educational levels and skills hampering their movement to obtain decent job. Moreover, their efforts and initiatives to start new business inhibited by financial shortage since the existence of financial support are imperative to achieve their goals. As a consequence, perpetuated poverty remains a major problem since poor people lack options and supports to upgrade their living standards.

Some scholars have proposed numbers of poverty reduction measures and strategies which might be relevant to redress incidences of poverty in rural and urban areas. To increase assets or income of urban poor, Satterthwaite (1997) suggests employment creation which is supported by adequate public infrastructures and services, provided credit or microfinance for small-scale industries, education and vocational training. The schemes suggested by Satterthwaite also appear to be relevant to be adopted in tackling poverty issues in rural areas since rural poverty is also connected with income shortage and inadequate livelihoods. Moreover, improvement of basic services and housing is another strategy suggested by Satterthwaite to reduce urban poverty. For instance, he explains that basic services should involve the improvement of adequate clean water supply and sanitation, subsidised basic health care services, development of affordable and efficient transportation for low-income households, and establishment of housing and other utilities. Again, this strategy is also suitable to be applied to combat rural poverty problems since lack of basic service is experienced by both rural and urban poor.

However, although some methods might be applicable for tackling both rural and urban poverty, the strategies should always be distinguished since there have been several distinct dimensions. For example, regarding health care service, the treatment for waterborne diseases and pollution related illness should be paid more attention for urban dwellers while in rural areas malnutrition and maternal health issues should be taken more into consideration. Moreover, regarding livelihoods, in order to increase rural income, improving agricultural productivity should be given more focus in addition to small scale industries while in urban areas developing small scale industries seems to be more imperative than improving agricultural sectors due to land and water scarcity. Thus, the policy or methods to reduce rural and urban poverty might be similar but strategies have to be different in some particular dimensions. This is the reason why rural and urban poverty should be distinguished and defined separately.

CONCLUSION
Poverty discourse is always considered multidimensional in nature since it involves numerous aspects including financial and non-financial. Defining poverty seems to be rather demanding but it has to be considered. In order to address this issue effectively, it is important to have a comprehensive understanding of the various dimensions that contribute to poverty. The schemes suggested by Satterthwaite provide a framework for tackling poverty in both rural and urban areas. However, the strategies should be tailored to the specific needs of each area considering the distinct dimensions that contribute to poverty.

Vol.13 No.1 Agustus 2018
to enable mitigation of poverty several factors need to be investigated particularly in terms of location (rural or urban) and its issues. The investigation may lead to deeper analysis to find right solution for the right place. Thus the analysis of urban and rural poverty is imperative and this paper has investigated several distinct features and similarities between rural and urban poverty.

Rural poverty is considered much more extensive than urban poverty since more poor people reside in rural areas in developing countries. Rural poverty is often connected with agriculture and its problems in terms of low productivity and land distribution. In addition to this, policy biases especially over concentration of urban development are argued to be another important determinant of rural poverty. This is because, rural needs of basic infrastructure such as roads, schools, and hospitals likely to be neglected by government. Finally, financial capital shortage is also considered as another cause of rural poverty to improve agricultural sectors and develop new business.

On the other hand, urban poverty, indeed, has its own typical feature. Although urban poverty is less extensive, the complexity seems to be higher than rural poverty. For instance, the creation of slums, pollution, land and water depletion due to massive urbanisation, high traffic fatalities and violence which are dissimilar than impoverishment occur in rural residences. In addition to this, capital and basic services shortage, which is similar with rural poverty cause, is also experienced by urban poor in developing countries.

Therefore, to tackle the issue this paper has provided some alternatives proposed by a scholar. For example, concerning income improvement, job creation underpinned by financial capital or credit provision and the improvement of basic infrastructure should be considered. Moreover, to solve social related poverty issues, the improvement of basic services and affordable transportation might be advantageous to reduce poverty in both rural and urban areas. Nevertheless, although some facets of rural and urban poverty might be tackled by same measures but the approach or strategies has to be different due different dimensions of both types of poverty.

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