Urban Poverty Reduction in Batam City: Dimensions of Poverty and Policy Response

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Abstract: This study discusses urban poverty reduction in Batam. Researchers focus on the dimensions of poverty and policy response. In analyzing the characteristics of urban poverty in Batam, the researchers used the dimensions of income, education, health, security, and ability to participate as indicators. Meanwhile, in looking at the government's policy response to tackling poverty, the researcher uses a poverty alleviation model, namely providing direct assistance, providing social services, empowering human resources, providing basic assets for the poor, and creating and developing markets. The results show that the income dimension plays an important role in the characteristics of urban poverty in Batam. The policy response carried out by the government is more inclined to the economic approach than the community empowerment approach.

Keywords: Urban poverty, Dimensions of poverty, Policy response, Batam

1. Introduction

Urban poverty is a phenomenon that is seen as a serious problem, especially with the increasing socio-economic and political problems that arise. Modernization and industrialization are often blamed as triggers, among other triggers; the rapid development of urban areas invites urbanization, resulting in higher population growth in cities. Increasing urbanization coupled with regional imbalances and expectations for employment, security, and education is attracting unskilled and illiterate people to migrate to cities. Uncontrolled migration and lack of social housing plans have forced people to live in poor housing conditions and the emergence of squatter settlements (Nakarmi, 2003).

The distribution of poverty in urban spaces has different characteristics of poverty. Vandell (1995) explains that environmental heterogeneity is influenced by various dimensions, including housing

characteristics, environmental facilities, accessibility, and population, which among others can be seen from differences in race, income, wealth, education, employment (Wassmer, 2002).

Poverty is often associated with the limitations of the population in obtaining basic services to meet their daily needs. Indicators of these limitations are often indicated by the level of welfare of the population consisting of income level, living environment, and health conditions. Indicators are also often used as indicators of poverty. The level of welfare of the population which is also influenced by the social conditions formed in the community will provide different characteristics of poverty from one region to another (Baharoglu and Kessides, 2001).

The development of cities in the world, both in developing and developed countries, is accompanied by almost the same problem, namely the decline in the level of public services needed by urban communities. This is shown by the phenomenon of poverty that occurs in big cities in Indonesia such as Jakarta, Surabaya, and including in the city of Batam. Batam city is one of the major industrial areas in Indonesia. Batam City is one of the cities in the Riau Islands Province. Batam City is an island that is very strategically located in the north of Indonesia and is located on international shipping lanes. Batam city, with all its advantages and disadvantages, has now become a metropolis. Batam city community is a heterogeneous society consisting of various ethnic groups and groups. Until 2018, Batam had a population of more than 1.3 million people and a population growth rate that tends to increase. According to a report released by Demographia World Urban Areas (2018), the population growth rate of Batam city reaches 6.2 percent per year. A high population growth rate can trigger social, economic, and political problems in Batam.

In addition to the high population growth rate, Batam's economic growth rate is also higher than the national economic growth rate, making this region the third largest foreign exchange earner in Indonesia. Various economic driving sectors include the communication sector, the electricity, water, and gas sector, the banking sector, the industrial sector and ship transfer, the trade, and service sector, which are the pulse of Batam city's economy, which is not only the consumption of the people of Batam and Indonesia but is also an export commodity for other countries. . The existence of economic activities in this city also increases employment and community welfare. Batam City is a new metropolis, a city that attracts immigrants from various regions to try their luck. This city has various business opportunities, both industrial and service. On the one hand, this is something positive for the Batam city government, which wants to develop its territory, but on the other hand, it also has negative opportunities for the emergence of new pockets of poverty brought by migrants. This has been seen in the last few years, one of which is the emergence of illegal houses in the city of Batam.

Based on data from the Batam City Central Statistics Agency (BPS) (2021), the number of poor people in the city of Batam in 2021 will increase by 5.05 percent compared to 4.75 percent in 2020. The poverty line in the city of Batam also increases every year, and in 2019 it has reached 66.21 thousand. In 2020, it has increased by 67.06 thousand people and in 2021 the number of poor people will increase to 77.17 thousand poor people.

The Batam City Government has implemented various poverty alleviation programs as a policy response to poverty that has occurred. These various poverty alleviation programs are top-down, temporal (short-term), sporadic, and merely eliminate the tip of the poverty "iceberg". Thus, with its development, the number of poor people in Batam City is still increasing.

The low involvement of the poor in poverty programs is because the program is structured with the assumption that the poor are unable to help themselves and do not have the potential to help themselves, causing the effectiveness of this program to be low. Knowledge about the potential and ability of the poor to help themselves is still very limited. Macro statistical data on poverty used by "bureaucrats"

have not been able to fully reveal and understand the phenomenon of urban poverty. These data are difficult to reveal the main sources and other causes of the phenomenon of poverty, so that urban poverty reduction has not been effective and always creates bias.

In dealing with poverty, there are two aspects that are emphasized, namely the regional characteristics of poverty and policy responses to overcome urban poverty. Differences in the characteristics of urban areas affect the different characteristics of poverty, so it is necessary to introduce poverty alleviation policies that are in accordance with the needs of the poor in each region. Therefore, it is necessary to differentiate poverty management based on the characteristics of poverty that occur in each region. Therefore, the problem of urban poverty must be viewed from the perspective of the dimensions of poverty. There needs to be in-depth research on the dimensions of urban poverty, especially the urban poor in Batam, to find the causes of poverty. Research on urban poverty from the perspective of the dimensions of urban poverty, especially in the city of Batam, has not been widely studied. Likewise, policies for handling poverty in responding to the dimensions of poverty that have occurred have not been widely studied. Based on this, the purpose of this study is to answer the question of what the dimensions of poverty in Batam City are and what policy responses are to the dimensions of poverty in Batam City.

2. Literature Review

2.1 Urban Poverty

The definition of urban poverty can be understood as a lack of resources to meet needs and low accessibility to development facilities, both in the economic, political, social, and cultural fields. According to Sulistyani (2000), the city is an area that has undergone a morphological change from its previous state with the construction of urban facilities accompanied by a shift in the production function which was originally based on agriculture, and then there was a shift towards the industry.

Understanding urban poverty must be seen from the structural dimension. Thus, the occurrence of economic poverty is not solely due to economic factors, but also due to the limited access of a person to the political process and political power so that he is in a low position in the social structure of society, as stated by Sumodiningrat, et al (1999) that structurally and politically poor people will get poorer in the material (economic) field. The emergence of poverty is marked by inequality. According to Dewanta, et al (1999), there are three causes of the gap, namely the gap in the production function, the distribution of added value in the modern sector between suppliers of labor, capital, intellectuals, and inequality in the level of finance in society.

Poverty is no longer defined objectively but exists in a multidimensional nature (Narayan, 2000). The selection of the poverty assessment method identifies the targeted poor. The application of appropriate measurements is very important in identifying specific target groups that allow researchers to propose appropriate policies for overcoming the problem of poverty. Each definition will describe the poor differently and will result in different estimates and levels of poverty (Rasool, Harun, Salleh, & Idris, 2011).

The causes of poverty itself are divided into three causes, namely 1) natural poverty, which is poverty caused by the limited quality of natural resources and human resources. 2) Structural poverty is ongoing poverty caused by various policies, regulations, and decisions in development. 3) Cultural poverty, which is poverty that is mostly caused by individual attitudes in society that reflect a lifestyle, behavior, or culture that traps him in a circle of poverty (Nugroho and Dahuri, 2002). The causes of poverty will affect the characteristics of poverty that occurs. Basically, the causes of poverty can be divided into two, namely internal factors and external factors. Internal factors are factors that come from within each individual population, such as low motivation within the population, lack of capital, and

weak mastery of aspects of management and technology. While external factors are factors that come from outside the individual of each population, such as the lack of infrastructure availability, and others. The causes of poverty will then affect the dimensions of poverty that occur in an area.

The dimension of poverty is a measure of poverty that is usually seen from the level of welfare of the population. One dimension of poverty often causes or contributes to another dimension (Baharoglu and Kessides, 2001). This shows the cumulative impact of urban poverty. Based on the causes of poverty, the dimensions of poverty that can be used as indicators in knowing the characteristics of urban poverty, include 1) The dimension of income, related to the work of the poor. The urban poor has the characteristics of skills and abilities that are fewer, so they tend to be unable to get good and permanent jobs. 2) The health dimension relates to the unhealthy living conditions of the poor population, which in turn affects the quality of their health. 3). Dimensions of education, the urban poor have limitations in accessing education services. These limitations are caused, among others, by the gap in education costs, limited educational facilities, expensive education costs, limited educational opportunities, and the high burden of education costs, both direct and indirect costs. 4). The security dimension referred to here relates to the insecurity of land ownership. The urban poor face the problem of inequality in land tenure and ownership structures, as well as uncertainty in land tenure and ownership. 5). Poor people have weak abilities because they are not given the right to participate in decision-making because they are considered weak people with no full protection. Lack of information for the urban poor means that they do not have access to good jobs and legal services because they are considered passive consumers.

2.2 Poverty Reduction Strategy

The poverty reduction strategy is the government's response to the increasingly severe problem of urban poverty. Based on the dimensions of poverty described previously, the urban poor have the most prominent characteristics of poverty among the overall characteristics of poverty (urban and rural poverty). Meanwhile, the urban poor is vulnerable to poverty and poverty in terms of non-income. This is explained as follows:

a) The urban poor is vulnerable to poverty.

The urban poor is vulnerable to this poverty in terms of their income. One indicator of determining whether the poor or not is determined by the income level of the population, which has an average monthly per capita expenditure below the poverty line.

b) Poverty in terms of non-income

Poverty in terms of non-income is related to the limitations of the poor in accessing education, health services, and access to other basic infrastructure.

Non-income poverty is a more serious problem than income poverty because the visible dimensions of poverty are more complex than determining poor people based on income alone. However, basically, one dimension of poverty will affect the other dimensions of poverty. This affects the poverty management model that is realized in poverty alleviation programs to provide assistance to the poor, namely:

i) Immediate assistance

The poverty management model in question is that the government provides direct assistance to the poor. Poverty alleviation programs in Indonesia included in this strategy are Direct Cash Assistance (BLT) and Rice for the Poor (Raskin) provided by the Indonesian government to the poor.

ii) Provision of social services

The poverty management model in question is assistance for the poor in dealing with poverty in terms of non-income (multi-dimensional). This model of assistance for the poor is more about providing social services to address poverty, which is also due to limited basic services, rather than providing direct assistance to the poor. Examples of assistance provided are assistance with access to clean water and adequate sanitation in residential areas.

iii. Human resource empowerment

The poverty handling model in question is assistance for the poor who are seen as human poverty, namely empowering the poor to become independent and not dependent on government assistance. This is related to government programs that seek to improve the abilities and skills of the poor, which in turn have an impact on the sustainability of their lives.

iv. Increasing the basic assets of the poor

Poverty reduction through an increase in basic assets, including basic services and non-financial transfers or what is termed social wages, consisting of services such as housing subsidies, expanding access to water, electricity, waste disposal, and sanitation; and access to assets, especially housing, land, and capital, including public infrastructure, both to enhance the economy and society and to provide the basis for engagement in a sustainable economy.

v. Market creation and development

Policy responses related to the creation and development of markets for the poor (Baharoglu and Kessides, 2001) include: promoting small business microenterprises by encouraging financial institutions to lend capital to the poor; supporting municipalities, local NGOs, and banks in making available credit for seeds and/or collateral; and monitor and regulate the performance of financial intermediaries that collect from the general public.

There are several poverty reduction programs that have been carried out by the Indonesian government, namely:

Table 1: Development of Poverty Reduction Programs in Indonesia

No.	Leadership Era	Poverty Program
1	Soekarno	National Development Plan 8 Years
2	Soeharto (1970 – 1998)	Instructions of the President of Disadvantaged Villages Program
		Poor Welfare Assistance Program
		Independent Young Family Program
		Youth Organization Development and Assistance for Poor Families
		Increased Intensification of Food Crops
		Education and Health Programs
		Small Business Development (Kredit Candak Kulak)

		Family Welfare Savings (Takesra) dan Family Welfare Business Credit (Kukesra)
3	BJ Habibie (1998 – 1999)	Social Safety Net Program
		Subsidized Rice Program
		Funds for the education of children from pre-prosperous and prosperous families
		Scholarship program for underprivileged students
		Labor Intensive Program
4	Abdurahman Wahid (Gusdur) (2000 – 2001)	Health and education services for the poor
		Developing a business culture for the poor
		Clean water subsidy program
		Compensation for the increase in fuel prices in the fields of education, health, and public transportation services
5	Megawati Soekarno Putri (2001 – 2004)	Cheap electricity program for poor households
		Subsidy program for the underprivileged
		Interest subsidy program for micro business credit program
		Fertilizer subsidy program
6	Soesilo Bambang Yudhoyono (SBY) (2004 – 2014)	National Community Empowerment Program (PNPM)
		Hope Family Program (PKH)
		Rice subsidy program for the poor (Raskin)
		Poor Student Aid (BSM)
		Poor Insurance Program (Askeskin)/ Community Health Insurance (Jamkesmas)
		Cash Transfer Program (BLT)
		Temporary Community Assistance Program (BLSM)
7	Joko Widodo (2014 – 2019)	Smart Indonesia Program (PIP)
		Healthy Indonesia Program (PIS)
		Hope Family Program (PKH)

94		Prosperous Rice (Rastra) / Food Social Assistance
		Non-Cash Food Aid (BPNT)
		Village Fund Program

Source: Processed by researchers from various sources, 2020

The above prevention programs are the response of the Indonesian government in dealing with the problem of poverty in Indonesia, both urban and rural poverty.

3. Methodology

The type of research used is a descriptive study with a qualitative approach. The subjects/sources of informants used by the researcher were 20 people, namely the beneficiaries of the poverty program, poverty program assistants, welfare workers, and the head of the social welfare poverty section of the Batam City Social Service. The type of data used by the researcher is qualitative and quantitative data. The sources of data used are (1) Primary data, which are the results of interviews obtained directly from informants; and (2) secondary data, namely document data originating from news information, papers, articles, books, and journals with documents recorded from news information, papers, articles, books, and journals related in this study either through online media as well as print media.

The focus locations (locus) of this research are Sungai Langkai sub-district, Sungai Lekop sub-district, and Sungai Pelunggut sub-district, which are located in Sagulung District. The ownership of the locus is because the three sub-districts have the highest number of poor people in Batam City. Data collection techniques used by researchers include interviews, observation, and documentation techniques. Meanwhile, the data analysis technique of the Miles and Huberman (1984) model is by data reduction, data display, and conclusion drawing/verification (Sugiyono, 2013). To test the validity of the data, the researchers triangulated the data freely to cross-check the results of one data with other data (interviews, observations, and documentation) to be compared from data sources obtained by researchers in the field that had been organized, analyzed, and concluded.

4. Discussion

4.1 Dimensions of Poverty in Batam City

In this section, the researcher presents the results of an analysis of the dimensions of poverty in the city of Batam seen from the assessment of the indicators of the dimensions of income, health, education, security and the ability to participate in decision making. In detail, the results of the study show:

a)   Income

Income indicators relate to the employment of the poor who tend to have low education and skills. The study found that most of the informants interviewed had heads of household who worked in the informal sector because they had low education and skills. Most work as construction workers, scavengers and motorcycle taxi drivers. However, there are also those who work in shipyards and factory workers. Most of them have been in the job for 5-15 years with an income of between IDR 500.000 up to 1.000.000. Limited employment opportunities with unbalanced rewards and lack of certainty about their sustainability, especially those who work in shipyards and factory workers who use a contract system. Those who work in shipyards and factory workers whose work contracts are not extended, will switch to working as motorcycle taxi drivers or construction workers while finding new jobs in other factory companies. In addition, in recent years in the city of Batam, many shipbuilding companies and factories have closed and moved locations to other countries, resulting in many workers being laid off (Termination of Employment).

b)   Health

This health dimension relates to the unhealthy living conditions of the poor population, which in turn affects the quality of their health. Based on the interview analysis, it was found that most of the poor families live in dense residential areas. However, there were also some poor families interviewed who lived in squatter houses, with inadequate clean water and sanitation conditions.

Most of the informants interviewed, if a family member is sick, they will go to a Public Health Center or Integrated Healthcare Centre. This is because they get health assistance from the government in the form of a Healthy Indonesia Card (KIS) or Regional Health Insurance (Jamkesda). KIS or Jamkesda functions as a health insurance card that is used to get free treatment at Public Health Center or regional hospitals. However, there are also some poor families who do not receive health assistance, such as KIS or Jamkesda.

c)   Education

The urban poor have limited access to education services. These limitations are caused, among others, by the gap in education costs, limited educational facilities, expensive education costs, limited educational opportunities, and the high burden of education costs, both direct and indirect costs. Interview analysis found that most of the informants had access to education up to Junior High School (SMP). This is because the government has a 9-year Compulsory Education program, which provides free education for elementary and junior high schools. In addition, the government also has a Smart Indonesia Card (KIP) program that provides cash assistance for education for schools aged 6-21 years for vulnerable poor families.

d)   Security

The security dimension referred to here relates to the insecurity of land ownership. The urban poor face the problem of inequality in land tenure and ownership structures, as well as uncertainty in land tenure and ownership. The city of Batam is different from other cities in Indonesia, where there are no individual land ownership rights but only building rights. Land ownership in Batam is controlled by the government. Interview analysis found that the majority of informants agreed that there was a feeling of insecurity in home ownership. Because some of the informants live in rented houses and some live in illegal houses with inadequate clean water and sanitation facilities and weak protection and security for the land and buildings they occupy.

There are other findings from this indicator that some of the informants interviewed have their own houses that are livable and adequate, but they still receive poverty program assistance from the government. This is because at the time of data collection for the poor, those who received poverty programs from the government at that time did not get a job because the head of the family was laid off and turned into a motorcycle taxi driver or construction worker. In addition, the data collection of the poor does not use the poverty indicators set by the Central Statistics Agency (BPS). Because the average resident's house in Batam City, both those who live in wild houses and housing, has a roof made of zinc, cement or ceramic floors and the type of wall that has been plastered.

e)   Ability

Poor people have weak abilities because they are not given the right to participate in decision making because they are considered weak people with no full protection. Lack of information to the urban poor causes them to have no access.

Analysis of the interviews found that the ability of the poor to participate in decision making is still weak. The poor are not involved in making development decisions in their area because most of them come from overseas. Those involved in development in their area are those who have lived there for a long time or have their own house, not a rented house.

4.2   Policy Response to Poverty Reduction

The government's policy response is a poverty reduction program that has been carried out by the Batam city government in overcoming poverty. The prevention program is related to poverty reduction strategies. The multi-dimensional nature of poverty has led to the development of various poverty reduction strategies. The prevention programs implemented by the government are:

Table 2: Poverty Reduction Policy Response Analysis

No.	Poverty Reduction Strategy	Explanation
1	Immediate assistance	The poverty program included in the provision of assistance is related to the direct assistance provided, namely Direct Cash Assistance (BLT) with a total recipient of 7,325 households in the three sub-districts. BLT is direct assistance in the form of cash given to each poor family from the central government through the district. The characteristics of this direct assistance are helping food difficulties and income shortages, which are characteristic in general.
2	Provision of social services	The provision of social services for the community is carried out to address the non-income dimensions of urban poverty. The model of assistance provided is more in the nature of providing social services to deal with poverty, which is also due to the limitations of basic services. The social services provided to poor families in the three sub-districts are: the Smart Indonesia Program (education) and the Healthy Indonesia Program (health). The number of PIP and PIS recipients is 7,325 poor family heads in the three sub-districts.
3	Community Empowerment	The form of empowerment of the poor was carried out in the three sub-districts only in 1998 – 2015. After that, the empowerment program did not continue due to the change in the era of the President.
4	Basic Assets	Increasing the basic assets of the poor, one of which consists of capital, is an effort to increase access to factors of production. Activities to increase basic assets in the three sub-districts, namely revolving loans given to poor households registered in the Integrated Data for Handling the Poor and Poor (DTPFMOTM) through the KUBE (Joint Business Group) program. This program provides capital loans to increase the income of the poor.
5	Market Creation and Development	Creation of markets for poor families to ensure that the economy generates opportunities for poor households to increase income through their own work. This is done by promoting small businesses that are running or in collaboration with certain NGOs local or companies, it turns out that these activities have not been implemented in the three sub-districts.

Table 2 shows that the policy response carried out by the government to poverty alleviation tends to use an economic approach. Researchers found that the problem of poverty is understood as a problem of lack of income. This can be seen from the various programs implemented by the government, generally only trying to provide assistance in the field of capital, direct cash assistance and the like. The provision of economic assistance for the short term can indeed provide benefits. But in the long term, it will not be able to completely solve the problem of poverty. The provision of economic assistance actually gave birth to new, more complex problems. In fact, the provision of credit loan capital assistance is the starting point of various other problems and the destruction of the business of the poor. Based on the findings in the field related to the program of providing credit to the poor, some of the poor who received the benefits of the program diverted and utilized credit for activities that were consumptive (buying daily necessities) rather than for productive activities, making it difficult for them to develop their business.

5. Conclusion and Recommendations

From the explanation above, it can be concluded that the income dimension plays an important role in the poverty dimension in Batam City. Because the income dimension is seen as an inability to meet basic needs. This conclusion is based on the poverty data collection not adjusted to the poverty indicators from BPS. In addition, the policy response carried out by the government in tackling poverty is more likely to use an economic approach than an empowerment approach. The conclusion was drawn based on the poverty alleviation program which was carried out more on the provision of direct cash assistance and the provision of business credit.

The researcher recommends that policies related to poverty reduction emphasize a bottom-up approach that is oriented towards community empowerment. Because the community empowerment model as a program instrument seeks not only to create awareness among the poor about their own potential and abilities, but also to encourage the poor to participate on a wider scale, especially in the development process in the region.

Acknowledgement

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