

# The Paradox of Poverty Reduction and the Reality of Sustainable Structural Poverty

Masfiah Diana Fitriani<sup>1,\*</sup>, Nadofah<sup>2</sup>

<sup>1</sup>Social Science Education Department, Faculty of Education and Teaching Science, IAIN Ponorogo

<sup>2</sup>Economic Department, Faculty of Economic and Business, UPN Veteran Jawa Timur

Corresponding author\*

masfiahdi@gmail.com

**Abstract:** The purpose of this research is to reveal the reality that the Indonesian poverty rate is still quite high, although there are many implementations of poverty policies and poverty reduction programs. Structural poverty is one of the poverty types determining the sustainability of poverty rates. Some people mention structural poverty as heirs. Structural poverty has many unexpected conditions and reasons why “the poor stay poor, and the rich become richer”. Sometimes, poverty is created, not just appears. This research uses a qualitative method approach. The analysis is based on primary and secondary data from the field notes, observation, and literature review. The result found that many poverty policies and poverty reduction programs along the way are just formalities. No programs or policies aim to reduce the poverty structure or address its root causes. The currently poor will probably live poor in the future because of the lack of accessibility to feasible education, health facilities, feasible wages, and career opportunities. Even, though there is employee exploitation, capital accessibility barriers, academic clustering, ambiguous regulation of welfare rights, the burden of tax rate, and other inequality of chance, supposed zero poverty is never reached. Therefore, even though poverty alleviation policies have been implemented for a long time, the rate of poverty reduction has not occurred significantly. Structural poverty is one type of poverty that requires collaborative governance in its resolution, because in efforts to eradicate poverty, especially structural poverty, many policies are needed that must be integrated into various lines of community life.

**Keywords:** Structural Poverty; Poverty Reduction; Inequality.

---

## Introduction

Poverty is an obstacle to social welfare, mainly in developing countries. Poverty appears for many reasons, including the economic system. The economic system influences the state because it regulates half of social life. However, the economic system is not the only cause of poverty happened. Government Policies and social conditions play more role in poverty. Moreover, when discussing structural poverty, government policies, and other social life regulations will impact the poverty existence. It has happened because structural poverty is not a kind of poverty that appear because of people’s desire nor unwillingness of people to hard work, but it seems to appear because limited of accessibility and lack of supportive regulations or policies that provide

people’s ability to raise their welfare condition (Pormes and Leiwakabessy, 2023). Poverty makes people lose opportunities, including proper clothing, food, shelter, education, healthy, legal protection until independence. In fact, in Indonesia, the mandate of the constitution has been stated, stating that every citizen has the right to work and a decent living (Zahrawati, 2020). Therefore, the role of the government is very large in realizing this.

Structural poverty is deeply intertwined with systemic issues such as structural and institutional racism, which create and perpetuate significant disparities in access to resources and opportunities. Structural racism, embedded in laws and regulations, leads to systemic inequalities across various sectors, including employment and education, which are critical for economic stability.

Similarly, institutional racism manifests through policies and practices that disadvantage marginalized groups, often in covert ways, thereby reinforcing cycles of poverty. Racial disparities in income, education, and health outcomes further illustrate how these systemic inequalities contribute to structural poverty. For instance, individuals from marginalized racial groups often experience delayed access to healthcare, resulting in higher mortality and morbidity rates. Achieving racial equity—where one's racial identity does not predict socioeconomic outcomes—remains a significant challenge, as historical injustices continue to shape present-day realities. Additionally, practices like redlining have historically restricted home ownership and financial services for minority communities, exacerbating economic disadvantages and contributing to structural poverty. Addressing these interconnected issues requires a comprehensive understanding of the systemic factors at play, emphasizing the need for structural competency in policy-making and social reform.

Some structural poverty issues are very close to our daily lives. It can be seen how the difference in wage levels is very high between regions in Indonesia, even though in some regions, the price of basic necessities does not experience a significant difference. Even in most parts of Indonesia, the minimum wage level is not even comparable to the living needs that must be met. Therefore, it is stated that the determination of the minimum wage has no impact on poverty alleviation or eliminating income inequality (Sotomayor, 2021). There are still many people who work in the informal sector so that they do not receive a salary within the minimum wage limit. In addition, the price of basic necessities and energy also continues to increase, access to health and education is also not evenly distributed, as well as other problems that must be faced by all people regardless of their socio-economic conditions. Thereby, the problems of poverty reduction and the fact that the number of poverty in Indonesia is still large seem an attractive theme to discuss.

## Materials and Methods

### Study area

Indonesia is one of the countries with a high poverty rate compared to the international poverty line. Based on the poverty and inequality brief data released by the World Bank in 2020, it is known that the national poverty line in Indonesia is 9.8% while the standard international poverty line is 4.6%. This can be interpreted that the poverty line in Indonesia is more than 2 times the world poverty line standard. Indonesia also has a higher poverty rate compared to other countries in Southeast Asia, although some countries still have much higher poverty rates. The poverty rates of Southeast Asian countries can be seen in Table 1.

Table 1. ASEAN Poverty Rate Value.

Country	Poverty Rate Value (%)
Vietnam	4.8
Brunei Darussalam	5
Malaysia	6.2
Thailand	6.3
Indonesia	9.5
Cambodia	17.7
Philippines	18.1
Laos	18.3
Myanmar	24.8

\*Singapore data not available

Source: Global Poverty and Equality East Asia and Pacific, 2020

Meanwhile, the Badan Pusat Statistik (BPS) as a data center in Indonesia has a different definition regarding the poverty line. BPS explains that what is referred to as the poverty line is a reflection of the number of rupiah that must be used by a person to meet their living needs. These needs are differentiated into food needs and non-food needs. In addition to using the poverty line measurement. BPS also classifies poverty measurements into several other measurements such as the number of poor people, the percentage of poor people, the severity and depth of the poverty index, and income and expenditure inequality. Based on the Calculation and Analysis of Macro Poverty in Indonesia in 2023, it is known that there are still more than one-third of regions in Indonesia that

have a percentage of poor people (PPM) above the national average percentage of poor people.

### Data analysis

This study uses a descriptive qualitative approach because this method is considered the most appropriate and effective for knowing and revealing social reality. In addition, qualitative methods are more appropriate for this study because they have an emic nature, so that the reality conveyed is a manifestation of the phenomenon being researched. Therefore, this method is the most appropriate method because it produces reality data as felt by the informant, not just based on observations from the researcher. Qualitative methods greatly help researchers to obtain more detailed information and reveal the reasons for an incident. The data used in this study are primary and secondary data obtained through various approaches such as field notes, observations and literature reviews of cases that correlate with this study. The data then analyzed and interpreted through triangulation. Triangulation will increase the accuracy of the data because all data will be assessed from various perspectives and the data considered the most valid will be used as data in the discussion. The data analysis was carried out using the Van Dijk analysis model which is a social cognition analysis model. This analysis model is a depiction of three dimensions, namely text, social cognition, and social context.

## Results and Discussion

### Poverty

Basically, poverty is a condition where a person cannot meet their life needs. Because these basic needs are not met, a person is unable to maintain or even develop their quality of life. Poverty is also often interpreted as a person's inability to meet a decent standard of living which then has an impact on low access to health, education, morals, and self-esteem (Fadilah, 2023.). Poverty is a problem that occurs in all regions and even in all countries in the world. Poverty can be defined in several

forms. David Cox in (Marsitadewi and Sudemen, 2024) classifies poverty into the following forms:

1. Absolute Poverty  
A condition of poverty where a person cannot meet basic living needs consisting of clothing, food, shelter, including access to health and education which are currently also referred to as basic needs.
2. Relative Poverty  
A condition of poverty where a person is able to meet basic living needs but the quality of life they have is relatively lower compared to the surrounding community. Therefore, even though in theory a person is above the poverty line, that person is still considered poor because they have not been able to achieve a decent standard of living that is owned by the people around them.
3. Cultural Poverty  
Poverty that occurs due to problems with a person's attitude or actions that result in a low quality of life. These attitudes or actions can arise due to culture, social conditions or a person's beliefs such as not having the desire to work hard, being wasteful, lazy, and other similar habits that can harm a person's quality of life.
4. Structural Poverty  
A condition of poverty that occurs due to the lack of policies and regulations that can support a person to escape the trap of poverty. The policies and regulations available result in a social, cultural and political system that results in low access to economic resources.

The poverty trap is also often described through the image of a vicious circle or poverty circle. This circle explains the relationship between various things that are causal. The poverty circle is a description of the cycle of poverty that occurs continuously and makes it difficult for someone to escape from the predicate of poor. The poverty circle can be seen in Figure 1.

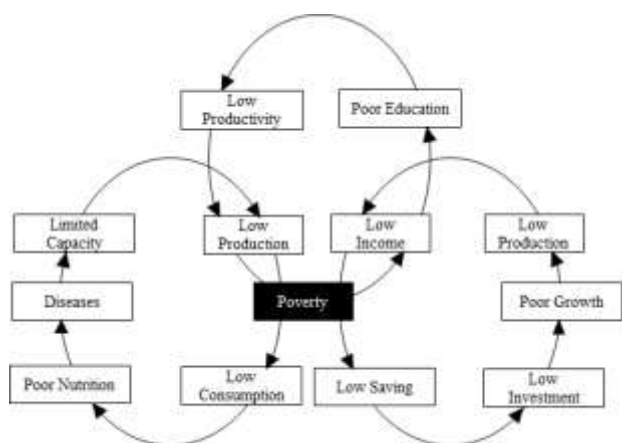


Figure 1. Poor Cycle

On figure 1 can define that poverty will impact many others condition. Poverty will impact healthy condition because poor nutrition will invite diseases, meanwhile the capacity of poor society to access the health facilities restricted. The impact of that conditions will make poor societies have low capacity to production because there is a disease that impact their physic or pshyologic condition. Poverty also impact the education level. Because of low income they gained, cost of education cannot be priority. The low availability of education cost, make the choices of education access limited. Most of choices don't have superior quality. The result, they have poor education condition that will impact low productivity because lack of knowledge and skill. Low productivity will impact the low production capacity and low income. Low income also influence the saving rate. Because of low income, there is no wage remains. That conditions made poor societies only have quite saving, the quite saving make the opportunity to access investmen is low. Because lack of investments, they only have the poor growth condition, it will result the low poduction capacities and create the low income. Can be conclude that minimum acces into health condition, education level, and low income will make poverty remain and become a cycle of life. The problems is the availability of policies that support the good health access, education access, and high income opportunities is still limited. Sometimes, there is a proper regulation and

policies, but there is no strict supervision on implementation and execution of them.

This study specifically discuss structural poverty. Poverty caused by limited access to various resources as a result of the absence of supportive policies or regulations for the poor. Policies or regulations only provide benefits to certain parties, while other parties, especially the poor, are disadvantaged by these policies. As quoted from the statement (Veronica and Adek 2024) structural poverty can be identified through 5 conditions, namely (1) Low access to education, (2) Limited access to health, (3) Minimal access to sanitation and clean water, (4) Limited access to job opportunities and low wage rate, and (5) Low levels of social welfare. These five things are things that cannot be separated from the role of the government, the government is able to make policies that provide support for access to the poor society regarding these things.

### Poverty in Indonesia

As mentioned, poverty in Indonesia is classified into several types of poverty including the poverty line, the number of poor people, the percentage of poor people, the poverty depth and severity index, and income and expenditure inequality. The poverty line explains the minimum rupiah value that must be spent by a person to meet their living needs. The number of poor people is the number of people in each region in Indonesia who have not been able to meet their basic needs. The percentage of poor people is the comparison between the number of poor people in Indonesia compared to the total population in Indonesia. The poverty depth index is the average gap in expenditure against the poverty line. The poverty severity index is a description of the distribution of expenditure between the poor. Inequality is a measure of the difference between the income or expenditure of the upper class and the poor. The poverty data in Indonesia in 2023 is as shown in Table 2.

**Table 2.** Poverty Indikator in Indonesia.

Poverty Indicator	Rate/Value
Poverty Line	550.458 (IDR)
Number of Poor People	25,90 (million soul)
Percentage of Poor People	9,36 (percentage)
Poverty Depth Index	1,53 (percentage)
Poverty Severity Indeks	0,38 (percentage)
Gini Ratio	0,39 (percentage)

Source: Badan Pusat Statistik, 2023

That condition is better than several previous year, mainly during Covid-19 condition. Indonesia has severe great challenges in economic condition since 1997 crisis era, it can better slowly until on 2020 Indonesia hit the pandemic condition that give so hard beating for most of Indonesian. Pandemic condition impact the GDP rate fall-down and the poverty rate rising. The pandemic-driven recession in 2020 was a brutal interruption to a long spell of sustained economic expansion. Structural poverty also raise on those condition because poor people don't have choices. Various access of health, education, and work restricted. More of poor people could not survive on that conditions. The government be accused to solve the condition with the best policies.

Data on Table 2 shows that average poverty line in Indonesia is Rp 550.458. It means that there is an Indonesian which can survive and complete their life needed by spending Rp 550.458 per capita each month. There are some region with lower poverty line, it means the total spending per capita each month in those region is under Rp 550.458. It is South Sulawesi, in those region the poverty line value is Rp 416.523 per capita each month. Surprisingly, that number is far away from the minimum wage on South Sulawesi. As record on 2023 minimum wage province data, minimum wage on South Sulawesi is Rp 3.165.876. Social demographic released by BPS declare that poor household have average number of household beetwen 4-5 people. So, we can count that average income per capita of each haousehold is beetwen Rp 791.469 – Rp 633.175. So, the poverty line is still far away from the minimum standar of a feasible life.

## Discussion

As mentioned in the research results, structural poverty can be identified through conditions consisting of low access to health, low access to education, low access to sanitation and clean water, low access to employment and decent wages, and low levels of social welfare. All of these conditions are the conditions that will be discussed in this discussion section. Unlike other types of poverty, structural poverty occurs because someone who has the ability cannot get the best opportunities because of several obstacles related to regulations and systems. Therefore, in conditions of structural poverty, someone who has the potential to escape the cycle of poverty or the vicious circle of poverty must ultimately remain in the vortex of poverty because of the impossibility of going beyond the limits of the rules or regulations available (Wiradinata, 2014).

These things can occur as a result of institutional racism, namely a discriminatory practice that occurs in institutional policies and practices that result in marginalizing parts of society (Bray et al., 2020). Institutional racism, a pattern of differential access to material resources and power determined by race, advantages one sector of the population while disadvantaging another (Pierce, 2014). Such racism is not only about conspicuous acts of violence but can be carried in the hold of mono-cultural perspectives. Cultural and Institutional Racism Cultural and institutional forms of racism are typically expressed in covert ways by individuals in education from schools, colleges, universities, businesses, and other organizational entities. Most forms of institutional racism are often disguised in standard operating procedures (SOPS) that are applied equally to everyone in institutional and organizational settings. Student affairs practitioners may be able to identify such forms of racism in the universities where they work.

### 1. Limited Acces to Education

For example, we often hear that there are students who have excellent academic abilities or achievements but cannot continue to a higher level of education because of the high cost of education. In the end, even though this student has excellent

abilities, he cannot get a job with a high salary (Méndez & Amornbunchornvej, 2024) because of limitations in meeting the minimum requirements for educational classification when applying for a job. As we know that in Indonesia, the level of education plays a fairly large role in determining the amount of salary that will be received by someone in the world of work. For example, a high school graduate has a relatively lower salary compared to a bachelor's graduate, in his first year of work. In fact, a person cannot continue their education to college level not because they are lazy or do not have academic abilities but because of limited access to financing for higher education. Moreover, lately the majority of state universities that are included in the top-tier universities have demanded educational financing with a very large value that is even less relevant to the income of the middle class, especially for the poor.

In this case, the expensive tuition fee policy resulted in a child who had good academic ability and even good achievements not being able to continue to a higher level of education. As a result, the child could only work with a high school education qualification. So, the choice of jobs that can be accessed is very limited and generally has a relatively low salary. Returning to the cycle of poverty, low salaries will have an impact on many things including low nutrition, and lack of access to education, so that it will have an impact on low productivity and production capacity, which is the cause of low wages. This will continue to rotate and become a cycle. Government policies on the amount of education costs and the education delivery system will certainly be very helpful in breaking the chain of structural poverty in this case.

## **2. Limited Access to Health Condition and Health Facilities**

The second case is the limited access to health or health facilities. As is known, the cost of medical treatment or health consultation is very expensive. This has an impact on the community's ability to access health services. For example, when a woman from a poor family is pregnant, she cannot access good pregnancy services and obtain appropriate pregnancy vitamins because she does not have the

money to access health facilities and check her pregnancy. Although currently many poor people have health insurance from the government, there are still differences in the use of health insurance for pregnant women between one health facility and another. Some health facilities are willing to cover examinations for pregnant women, but some other health facilities state that they are not willing to cover examinations for pregnant women. So that examinations for pregnant women must use personal funds which are considered burdensome for the poor. In this case, pregnant women from poor families are not unwilling to access pregnancy checks, but the costs to carry out the examinations are not available because of the low salaries they receive.

Pregnant women who do not have access to pregnancy check-ups can result in the baby not getting good nutrition and the multivitamins it needs. As a result, the baby can experience developmental disorders to serious problems such as congenital diseases or imperfect fetal growth and development. Bad things can also happen to the mother because the nutrition and multivitamins needed by the body are not met. Pregnant women can experience bone disorders because they do not get enough calcium, have low hemoglobin levels, and even the risk of pre-eclampsia and other emergency conditions that can occur in pregnant women. Returning to poor health conditions, this will have an impact on low life expectancy and have an impact on low productivity which will return to limited work ability and end in low wages.

## **3. Limited Access to Sanitation and Clean Water**

The majority of poor people also have limited access to proper sanitation and clean water. Even now we all realize that access to clean water is almost entirely capitalized. Capitalism can deliver a poorer condition (Sullivan & Hickel, 2023). Almost all regions in Indonesia must purchase clean water for consumption because the water available in the community environment is considered unfit for consumption. Pollution and contamination that should be minimized through government regulations and policies, in fact cannot be controlled so that access to clean water that

should be easily found in various regions is now considered very difficult. Likewise, access to sanitation. There are still many poor people who, although aware of living hygienically, cannot realize their awareness because the price of making proper sanitation is very expensive. In the end, the availability of sanitation for poor people cannot be done alone without government policies to provide adequate sanitation facilities. Likewise, access to clean water, there is a big role for the government to form regulations so that pollution and contamination can be minimized so that groundwater still has good quality and is fit for consumption. This will certainly greatly help poor people to be able to obtain access to clean water at a low price.

#### **4. Low Acces to Job Opportunities and Feasible Wage**

The next problem related to structural poverty is the limited availability of jobs and decent wages. For example, currently, job vacancies in Indonesia have terms and conditions that often burden workers and also greatly limit workers from accessing jobs. Requirements for age, gender, and even religion are requirements that often become obstacles for people to enter the workforce. There are also quite a few jobs that require overlapping skills, which should be done by 2 or more people, but for the sake of company efficiency, all tasks are assigned to one worker. Some jobs also do not provide information on open vacancies so that job opportunities can only be accessed by certain people. Some jobs also provide inadequate wages and poor work life. For example, in some jobs, the amount of wages received by workers is far below the standard of decent wages. There is no right to leave for workers, even for maternity or childbirth leave for women, which is something that should be mandatory. Some jobs also discriminate on several things such as gender, religion, or race. For example, job providers are only willing to hire male workers because they think that female workers will have a lot of leave, which will interfere with work productivity. Instead of providing access for women workers, the majority of jobs actually decree the role of women in the world of work. Therefore, the government needs to

provide policies and regulations related to this. Not only making policies and regulations, but also having to supervise the implementation of these policies strictly (Farisa et al., 2023). In this case, it can be seen that the poor are not unwilling to work but access to decent work and wages is not yet available.

#### **5. Low Social Welfare**

The various conditions above cause low social welfare conditions. This is caused by various limitations that occur so that people do not feel well-being either physically or psychologically (Chivers, 2017). Therefore, the low level of social welfare is greatly influenced by the various conditions that have been mentioned previously.

### **Conclusions**

Based on the explanation in this study, it can be concluded that poverty has many varieties. One of them is structural poverty. This poverty occurs not because of a person's willingness or unwillingness to improve their standard of living. This poverty occurs because poor people do not have many choices because they are hampered by various regulations and policies that are not beneficial to them. This poverty can be characterized by low access to health, education, sanitation and clean water, as well as limited access to employment and decent wages, which have an impact on low levels of social welfare. Low levels of social welfare will certainly also affect various qualities of life of a person, including production capabilities and productivity levels. Therefore, structural poverty is often the main cause of why poverty still exists and continues to occur. Because the desire to escape the trap of poverty is hampered by various conditions that occur.

**Conflict of Interest:** The authors declare that there are no conflicts of interest concerning the publication of this article.

## References

- Bray, R., de Laat, M., Godinot, X., Ugarteg, A., & Walker, R. (2020). Realising poverty in all its dimensions: A six-country participatory study. *World Development*, 134. <https://doi.org/10.1016/j.worlddev.2020.105025>
- Chivers, D. (2017). Success, survive or escape? Aspirations and poverty traps. *Journal of Economic Behavior and Organization*, 143, 116–132. <https://doi.org/10.1016/j.jebo.2017.09.018>
- Gómez-Méndez, I., & Amornbunchornvej, C. (2024). Income, education, and other poverty-related variables: A journey through Bayesian hierarchical models. *Heliyon*, 10(6). <https://doi.org/10.1016/j.heliyon.2024.e27968>
- Pawit Fadila Rika Farisa, Riefda Nardi Maharani, Nurrachma Maharani, Tantri Nur Aditya Siswanto, Winda Dwiastuti, Azzahra Nurrachman, & Mulyadi Mulyadi. (2023). Kemiskinan Struktural Akibat dari Tidak Berjalannya Fungsi Pemerintahan Secara Maksimal di Daerah Istimewa Yogyakarta. *JURNAL PENDIDIKAN DAN ILMU SOSIAL (JUPENDIS)*, 1(3), 44–59. <https://doi.org/10.54066/jupendis-itb.v1i3.232>
- Pierce, A. J. (n.d.). *Structural Racism, Institutional Agency, and Disrespect*. [http://digitalcommons.sacredheart.edu/rel\\_fac/89](http://digitalcommons.sacredheart.edu/rel_fac/89)
- Pormes, L., Leiwakabessy, A., Akuntansi, J., Ambon, P. N., & Alamat, ). (n.d.). *SUSTAINABILITAS PENGUSAHA KERAJINAN GERABAH DALAM BINGKAI KEMISKINAN STRUKTURAL (Studi Pada Desa Ouw Kecamatan Saparua)*.
- Sotomayor, O. J. (2021). Can the minimum wage reduce poverty and inequality in the developing world? Evidence from Brazil. *World Development*, 138. <https://doi.org/10.1016/j.worlddev.2020.105182>
- Sullivan, D., & Hickel, J. (2023). Capitalism and extreme poverty: A global analysis of real wages, human height, and mortality since the long 16th century. *World Development*, 161. <https://doi.org/10.1016/j.worlddev.2022.106026>
- Wiradinata, G. E. (n.d.). *Representasi Kemiskinan Struktural Dalam Video Klip (Analisis Semiotika Dalam Video Klip Superglad dan Navicula)*. [www.liputan6.com](http://www.liputan6.com)
- Zahrawati, F. (2020). *Pembebasan Jerat Feminisasi Kemiskinan* (Vol. 2, Issue 1).