Urban–Rural Inequality and Persistent Poverty in Indonesia: A District-Level Study

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Abstract

This study explores the entrenched urban–rural disparities and the persistence of poverty traps in Indonesia through district-level analysis. Despite national economic progress, rural districts continue to face structural barriers—such as limited infrastructure, institutional weaknesses, and geographic isolation—that reinforce poverty. Drawing on spatial poverty trap theory, dependency theory, and institutional analysis, this research synthesizes evidence from academic literature and policy documents published by verified institutions. The findings highlight the multidimensional nature of rural poverty and identify mechanisms that sustain deprivation, including poor asset access, weak governance, and environmental vulnerability. Decentralized, place-sensitive policies—such as local infrastructure investment, rural enterprise development, and adaptive social protection—are proposed to disrupt these cycles. By revealing sub-provincial disparities and emphasizing localized solutions, this study contributes to the discourse on inclusive development in Indonesia. The district-level approach provides practical insights for policymakers seeking to address inequality in the context of decentralized governance.

Keywords

urban–rural inequality; poverty traps; spatial development; decentralized policy; Indonesia

INTRODUCTION

Despite Indonesia's emergence as one of Southeast Asia's largest economies, its development trajectory has been persistently marked by a stark urban–rural divide. Urban centers such as Jakarta, Surabaya, and Bandung benefit disproportionately from infrastructure development, access to financial institutions, and employment opportunities, while rural districts remain largely marginalized (World Bank, 2016). This structural imbalance has reinforced spatial inequality, perpetuating poverty in peripheral areas and contributing to unequal development outcomes across the archipelago (Booth, 2016, p. 22).

The concept of spatial inequality is deeply embedded in Indonesia's colonial and post-colonial development paths. Historically, economic activities and state investments were concentrated in Java and urban zones, leading to path-dependent outcomes

where rural areas, particularly in Eastern Indonesia, lagged behind (Hill, 2014, p. 49). Empirical studies have highlighted how infrastructure gaps, limited educational attainment, and inadequate social services exacerbate poverty traps in rural districts (Resosudarmo et al., 2016). This underscores the significance of place-based poverty analysis in addressing persistent inequality.

Theoretically, the persistence of poverty in rural areas can be explained by models of cumulative causation and spatial poverty traps, which suggest that poor areas remain underdeveloped due to mutually reinforcing conditions such as low capital accumulation and weak institutional support (Kanbur & Venables, 2005). Additionally, dependency theory provides a lens to examine how peripheral regions become economically dependent on core urban centers, leading to structural subordination (Todaro & Smith, 2015, p. 137). These frameworks are useful in understanding why generalized national poverty reduction strategies often fail to uplift rural populations.

Although many studies have examined poverty in Indonesia, fewer have adopted a district-level lens that incorporates spatial and institutional dynamics. National statistics often mask local disparities, and current policies inadequately account for the micro-level mechanisms that entrench poverty (BPS–Statistics Indonesia, 2015). Therefore, there is a critical need to explore how geography, institutional capability, and socio-economic infrastructure interact to shape divergent development outcomes.

This study seeks to address this gap by posing the following research questions: (1) How do urban–rural disparities manifest in Indonesia at the district level? (2) What mechanisms contribute to the persistence of poverty traps in rural districts? (3) What policy strategies can disrupt these cycles and promote inclusive development? The objectives of this research are to analyze the spatial dynamics of poverty, identify institutional and infrastructural factors sustaining inequality, and propose evidence-based recommendations to support equitable regional development.

LITERATURE REVIEW

Urban–rural disparities and poverty traps have long been subjects of extensive academic discourse, particularly within the development economics and regional planning fields. Spatial inequality, as defined by Kanbur and Venables (2005), emerges when economic growth disproportionately benefits certain geographic areas, typically urban centers, leaving rural peripheries marginalized. In the context of Indonesia, empirical research consistently indicates that access to education, healthcare, and economic infrastructure is significantly lower in rural districts compared to urban centers (Hill, 2014, p. 78). This asymmetry reflects both historical legacies of centralized

development and ongoing structural biases in policy implementation (Booth, 2016, p. 23).

The concept of poverty traps, as articulated by Sachs (2005), provides a foundational theoretical model explaining the self-perpetuating nature of poverty in resource-constrained environments. These traps are reinforced through a combination of low investment in human capital, poor infrastructure, and inadequate governance mechanisms. In rural Indonesia, evidence suggests that households often face intergenerational poverty due to limited access to credit, lack of market integration, and environmental vulnerability (Resosudarmo et al., 2016). Studies by Jalan and Ravallion (2002) and Carter and Barrett (2006) have further conceptualized poverty traps through dynamic asset thresholds, showing that once below a certain asset level, households struggle to recover without external intervention.

Furthermore, Indonesia's decentralization policy, while intended to empower local governments, has shown mixed outcomes in addressing rural poverty. Faguet (2014) highlights that the effectiveness of decentralization depends largely on institutional capacity at the district level—a condition not uniformly present across Indonesia's diverse geography. Scholars have also critiqued the top-down nature of national poverty programs, which often overlook local needs and capabilities (Smoke, 2015, p. 102). Hence, a deeper understanding of district-level disparities is crucial for designing place-sensitive development interventions.

This literature review positions the current study within a growing body of research that emphasizes spatial and institutional determinants of poverty. While existing works have successfully established macro-level patterns of inequality, they often fail to capture localized dynamics that sustain poverty in rural Indonesia. By adopting a district-level analysis, this research contributes to filling this important gap in the literature.

Theoretical Framework

To investigate urban–rural disparities and poverty traps in Indonesia, this study integrates several interrelated theoretical perspectives. Central to the analysis is the theory of spatial poverty traps, which posits that geographic isolation and deficient infrastructure can generate self-reinforcing cycles of poverty (Bird et al., 2002). This theory is especially relevant in the Indonesian context, where physical remoteness and underdeveloped transportation networks impede rural access to markets and public services (BPS–Statistics Indonesia, 2015). The interplay between spatial exclusion and economic deprivation forms the basis for understanding why poverty persists despite national-level growth.

Complementing this spatial perspective is the model of cumulative causation by Gunnar Myrdal, which suggests that economic advantages tend to concentrate in already developed regions, creating a divergence rather than convergence in regional incomes (Myrdal, 1957, p. 26). In Indonesia, capital and investment have consistently favored Java and other urban zones, exacerbating interregional inequality (Hill, 2014, p. 51). This feedback loop strengthens the development of urban cores while marginalizing peripheral areas, which lack the institutional and infrastructural capacity to attract economic opportunities.

Dependency theory further enriches this framework by highlighting how peripheral regions become economically subordinated to core areas. According to Todaro and Smith (2015, p. 138), such structural dependence undermines local autonomy and inhibits endogenous development. In Indonesia, rural districts often rely on transfers from central governments and urban economies, which limits their capacity to build self-sustaining growth mechanisms (Booth, 2016, p. 95). This dependency creates vulnerability to policy shifts and economic shocks, reinforcing poverty traps.

Institutional theory provides another critical dimension by focusing on the role of governance and administrative capacity in addressing spatial inequality. North (1990, p. 83) argues that institutions shape economic performance through the establishment of rules, norms, and enforcement mechanisms. In decentralized Indonesia, the ability of district governments to manage development effectively varies widely, leading to uneven outcomes in poverty reduction (Faguet, 2014). Poor institutional quality in rural areas often translates into weak planning, poor service delivery, and limited citizen participation, all of which contribute to persistent poverty.

Finally, the capability approach by Amartya Sen emphasizes human development and the expansion of individual freedoms as core to poverty alleviation (Sen, 1999, p. 87). This perspective is particularly useful in examining how educational, health, and participatory deficits in rural Indonesia restrict individuals' ability to pursue valued life outcomes. By integrating these theoretical models—spatial poverty traps, cumulative causation, dependency theory, institutional theory, and the capability approach—this study constructs a robust analytical lens to explore the multidimensional nature of rural poverty and inequality.

Previous Research

Research on spatial inequality and poverty in Indonesia has evolved significantly over the past two decades, offering diverse insights into the causes and consequences of rural marginalization. Firman (2004) examined the impact of post-Suharto decentralization on urban–rural relations and concluded that policy fragmentation

often exacerbated disparities rather than alleviating them. His study found that local governments lacked the administrative capacity to equitably manage fiscal resources, leading to suboptimal service delivery in rural areas (Firman, 2004). This early work highlights the governance dimension of spatial inequality.

In their 2005 study, Kanbur and Venables proposed a theoretical framework to analyze spatial inequality within developing countries. Applying their model to Indonesia, they identified infrastructure and institutional gaps as critical drivers of regional disparities. Their findings underscored the need for integrated regional development strategies that go beyond economic growth targets to address underlying structural constraints (Kanbur & Venables, 2005). This work provided a foundation for subsequent empirical research.

Bappenas (2008) conducted a national spatial plan assessment which revealed that despite high aggregate GDP growth, the distribution of public investment remained concentrated in western Indonesia. Their report emphasized that the eastern provinces, characterized by lower human development indicators, were structurally disadvantaged due to limited transportation access and market connectivity (Bappenas, 2008). This research offered a policy-oriented perspective that highlighted spatial misallocation as a central concern.

Suryahadi et al. (2009) conducted a longitudinal analysis of rural poverty dynamics in Indonesia using household panel data. They discovered that while short-term poverty reduction occurred, many households remained vulnerable to returning to poverty due to shocks such as natural disasters and health crises. This study introduced the concept of vulnerability and emphasized the role of social safety nets in mitigating poverty traps (Suryahadi et al., 2009). It also suggested that income-based indicators alone are insufficient for measuring rural well-being.

Resosudarmo et al. (2010) explored the environmental dimensions of poverty traps, particularly in remote and ecologically fragile regions. Their findings indicated that environmental degradation, combined with weak institutional responses, created a reinforcing loop of poverty and resource depletion. Their study integrated ecological sustainability into the poverty discourse, expanding the analytical scope beyond traditional socio-economic variables (Resosudarmo et al., 2010).

More recently, Booth (2016) provided a comprehensive historical account of regional disparities in Indonesia, arguing that policy bias toward Java had created structural inequality that persisted into the decentralization era. He contended that regional autonomy had not significantly altered the spatial distribution of economic opportunities and that entrenched institutional weaknesses continued to hamper inclusive development (Booth, 2016, p. 97). His work synthesized earlier findings and emphasized the continuity of inequality across political regimes.

Despite the richness of existing research, a significant gap remains in district-level analyses that integrate institutional, geographic, and infrastructural variables. Most prior studies have focused on provincial-level data or have emphasized sector-specific outcomes. This study addresses that gap by employing a district-level framework that captures localized dynamics and interdependencies shaping poverty traps in rural Indonesia.

RESEARCH METHODS

This study adopts a qualitative research design centered on document-based data to explore urban–rural disparities and poverty traps in Indonesia at the district level. The type of data used is primarily textual and conceptual, derived from academic publications, government reports, and development agency documents. Textual data allow for in-depth interpretation of patterns, discourses, and institutional narratives surrounding rural poverty, offering a more nuanced understanding than quantitative datasets alone (Bowen, 2009). This approach aligns with the study's aim to uncover the structural and multi-dimensional nature of spatial inequality.

The data sources are selected from verified scholarly and institutional publications. These include peer-reviewed international journal articles, Indonesian SINTA-indexed journals, international and national books, and official publications from institutions such as BPS–Statistics Indonesia, the World Bank, and the Indonesian Ministry of National Development Planning. By relying on these validated sources, the study ensures credibility and relevance of its findings, consistent with methodological standards in qualitative social research (Creswell, 2013, p. 55).

Data collection was conducted through systematic document analysis, involving identification, selection, and review of relevant literature published no later than 2016. The documents were chosen based on thematic relevance to spatial inequality, poverty traps, decentralization, and regional development in Indonesia. Following the criteria established by Bowen (2009), content relevance, source credibility, and publication status served as the main inclusion parameters. This ensured the collected data captured the breadth and depth of existing perspectives on the topic.

The data analysis technique employed in this study is thematic analysis, allowing the researcher to identify, organize, and interpret recurring patterns and key themes in the literature. The process included coding passages related to institutional capacity, infrastructure access, geographic isolation, and policy impacts on rural districts. This method provides the analytical flexibility necessary to engage with complex theoretical frameworks while also revealing underlying structures of inequality (Braun & Clarke,

2006). Through iterative reading and interpretation, the themes were refined to ensure alignment with the research objectives.

Conclusion drawing was achieved by synthesizing the themes with the theoretical frameworks outlined earlier, including spatial poverty traps, dependency theory, and institutional theory. The goal was to build a coherent explanation of how poverty becomes entrenched in rural districts. This interpretive synthesis facilitates the translation of empirical patterns into conceptual insights and policy implications. Following Miles and Huberman's (1994, p. 245) strategy for qualitative analysis, the findings were validated through triangulation with multiple sources, thus enhancing the reliability and depth of the conclusions.

RESULTS AND DISCUSSION

The findings from this study reaffirm the theoretical premise that spatial inequality in Indonesia is deeply entrenched in structural and institutional arrangements that favor urban cores at the expense of rural peripheries. Drawing from the framework of spatial poverty traps and cumulative causation, the evidence illustrates how development resources—whether fiscal, infrastructural, or administrative—are disproportionately concentrated in urban districts (Kanbur & Venables, 2005). This pattern reinforces cycles of exclusion in rural regions, where lack of access to transportation, education, and health services perpetuates socio-economic marginalization (World Bank, 2016).

An important contribution of this study lies in its district-level focus, which captures localized variations often obscured in broader provincial-level analyses. These granular insights reveal how even within the same province, stark contrasts exist between central and peripheral districts in terms of institutional performance and poverty outcomes (Booth, 2016, p. 99). This supports earlier findings by Resosudarmo et al. (2010), but expands the lens by integrating governance capacity as a key mediating factor. The results show that underperforming districts typically suffer from weak local institutions, inadequate fiscal autonomy, and limited human capital development.

Moreover, the findings challenge the assumption that economic growth alone will resolve spatial inequality. Instead, they highlight the importance of embedded institutional mechanisms—such as participatory budgeting, decentralization of planning, and localized public service delivery—in enabling more inclusive development (Smoke, 2015, p. 103). The study confirms Myrdal's (1957, p. 27) hypothesis that growth tends to be cumulative unless actively countered by deliberate redistribution policies. This underscores the need for more targeted interventions tailored to the socio-geographic conditions of rural Indonesia.

In contrast to the predominantly sectoral focus of previous research, this study employs a more integrative perspective by synthesizing spatial, institutional, and infrastructural dimensions. It builds on the literature by offering new evidence that rural poverty is not merely a consequence of low income, but a manifestation of systematic exclusion from political and economic networks. The capability approach supports this view, framing poverty as a deprivation of essential freedoms and opportunities (Sen, 1999, p. 89). In districts where government services are weak and public participation is limited, these deprivations are especially acute.

This district-level analysis thus provides a bridge between theory and policy, offering concrete insights for development planning. It demonstrates that addressing rural poverty in Indonesia requires more than just financial redistribution; it necessitates structural reforms that empower local institutions and rectify long-standing spatial biases. The following thematic sections will delve deeper into how urban–rural disparities manifest, the specific mechanisms that sustain poverty traps, and the policy interventions that can potentially disrupt these cycles.

1. Disparities in Access and Opportunity Across Districts

This section addresses the first research question by examining how urban–rural disparities manifest in Indonesia at the district level. The most visible dimension of inequality is infrastructural: rural districts suffer from poor road connectivity, limited electricity coverage, and weak digital infrastructure (BPS–Statistics Indonesia, 2015). These deficiencies hinder access to markets, education, and health services, reinforcing economic exclusion. Compared to urban centers like Jakarta or Surabaya, rural districts in Eastern Indonesia face up to three times longer travel times to reach essential services (World Bank, 2016).

Education is another critical axis of disparity. Urban districts benefit from better teacher distribution, higher school completion rates, and superior learning outcomes. In contrast, rural areas often experience a shortage of qualified teachers, leading to lower human capital development (Booth, 2016, p. 102). This contributes to the intergenerational transmission of poverty, as education is a key determinant of future income and employment prospects (Jalan & Ravallion, 2002). Health service accessibility also mirrors this divide, with rural populations facing higher child mortality and lower immunization rates.

Employment opportunities are more abundant in urban areas due to industrialization and service-sector expansion. Rural districts remain dependent on subsistence agriculture, which is increasingly vulnerable to climate change and market volatility (Resosudarmo et al., 2010). The absence of value-added

processing industries and rural credit infrastructure further limits rural productivity. This economic segmentation illustrates how geographic location intersects with institutional capacity to entrench inequality.

Administrative and fiscal disparities compound these challenges. Decentralization has not evenly empowered all districts; many rural local governments lack the technical expertise and financial autonomy to design and implement effective development policies (Faguet, 2014). Consequently, urban districts are better equipped to attract investment and leverage national programs, further widening the development gap. These findings suggest that spatial inequality in Indonesia is not only a reflection of economic imbalances but also of systemic governance failures.

The cumulative effect of these disparities leads to social exclusion, as rural communities are systematically marginalized from the benefits of national development. The study reinforces the argument that tackling inequality requires a multi-dimensional strategy that addresses not just income but also access to services, voice in governance, and infrastructure equity. Without such interventions, the structural divide between Indonesia's urban and rural districts will likely continue to widen.

2. Mechanisms Sustaining Rural Poverty Traps

This section addresses the second research question by examining the mechanisms that contribute to the persistence of poverty traps in Indonesia's rural districts. Poverty traps, as conceptualized in development theory, are not merely the result of low income levels but arise from a complex interplay of social, economic, geographic, and institutional factors that reinforce each other over time (Sachs, 2005). In rural Indonesia, several such mechanisms operate simultaneously, creating self-perpetuating cycles of deprivation.

A primary mechanism is limited access to productive assets. Many rural households lack secure land tenure, irrigation, and capital for agricultural improvement (Todaro & Smith, 2015, p. 144). This limits their capacity to increase productivity or diversify income sources. Without sufficient collateral or institutional support, farmers are unable to obtain credit, invest in technology, or access market information. This asset poverty feeds directly into income poverty, keeping households trapped in subsistence conditions (Carter & Barrett, 2006).

Another reinforcing factor is inadequate infrastructure. Poor road networks, unreliable electricity, and limited communication services isolate rural communities from urban markets, making it costly to engage in economic exchange (BPS–Statistics Indonesia, 2015). Infrastructure deficiencies also impair service delivery in health and education, two key sectors for human capital development. As noted by Resosudarmo et al. (2010), the lack of basic infrastructure contributes to spatial poverty traps by diminishing rural areas' development potential and institutional reach.

Institutional weaknesses are also central to the persistence of poverty. Many rural districts suffer from low administrative capacity, weak planning institutions, and insufficient transparency in budget allocation (Smoke, 2015, p. 106). These limitations reduce the effectiveness of local governments in delivering services and implementing anti-poverty programs. Moreover, rural governance structures often lack participatory mechanisms, marginalizing local voices in development planning. This undermines social capital and collective action, further weakening community resilience (North, 1990, p. 84).

Environmental vulnerability exacerbates these conditions. Rural districts, especially in Eastern Indonesia, are more prone to climate shocks such as floods and droughts. These events can wipe out household assets and disrupt agricultural cycles, creating sudden poverty shocks from which recovery is difficult (Suryahadi et al., 2009). The absence of adaptive capacity—due to poor infrastructure and inadequate institutional responses—turns these shocks into chronic poverty episodes, particularly in districts without access to insurance or disaster relief mechanisms.

A further mechanism is demographic dependency. Many rural households have high dependency ratios, with large numbers of non-working members— particularly children and the elderly—relying on limited incomes. Combined with low educational attainment and poor health status, this burden reduces household savings and investment potential (Sen, 1999, p. 91). It also constrains labor mobility, as youth often lack the skills and opportunities to migrate to better-paying urban jobs.

Taken together, these mechanisms reveal how poverty in rural Indonesia is not a transient condition but a structurally embedded phenomenon. They highlight the inadequacy of one-size-fits-all national poverty programs, which often fail to address the localized constraints faced by rural communities. To break these traps, policies must simultaneously target asset building, infrastructure development, institutional strengthening, and environmental resilience at the district level.

3. Disrupting Poverty Traps through Decentralized and Place-Based Policies

This section addresses the third research question by exploring the policy strategies that can disrupt persistent poverty traps in rural districts and promote inclusive development. The findings suggest that Indonesia's current centralized and generalized poverty reduction strategies are insufficient to address the multi-dimensional and geographically embedded nature of rural poverty. Instead, localized, decentralized, and context-sensitive approaches are required.

One effective strategy is the promotion of geographically targeted public investments. As Kanbur and Venables (2005) emphasize, spatially neutral policies may unintentionally reinforce regional inequality. In Indonesia, targeting infrastructure and public services to lagging districts—especially those in Eastern Indonesia—could reduce transaction costs and stimulate local economic activities. Empirical studies show that road construction, rural electrification, and digital connectivity significantly increase rural incomes and employment opportunities (World Bank, 2016). These investments must be strategically coordinated to break the geographic isolation that underpins spatial poverty traps.

Decentralization offers another policy avenue, but its success depends heavily on institutional quality at the local level. Faguet (2014) finds that decentralization enhances service delivery and poverty outcomes when local governments possess sufficient capacity, autonomy, and accountability mechanisms. In Indonesia, many rural districts lack these prerequisites, resulting in ineffective local governance. Strengthening district-level institutions through capacity-building programs, transparent fiscal transfers, and participatory planning processes is therefore essential to enhance the developmental role of local governments (Smoke, 2015, p. 110).

Another key intervention is enhancing local economic potential through rural enterprise development and value chain integration. Programs that support agricultural modernization, agro-processing, and microenterprise development can raise productivity and create non-farm employment (Todaro & Smith, 2015, p. 149). However, these efforts must be tailored to the specific resources and comparative advantages of each district. Blanket programs often fail due to misalignment with local economic conditions or insufficient stakeholder engagement.

Social protection mechanisms should also be geographically responsive. National programs such as the *Program Keluarga Harapan* (PKH) provide vital support to poor households, but their uniform design does not account for spatial variations in poverty severity or access to services (Suryahadi et al., 2009). Adaptive social protection that adjusts benefits and delivery mechanisms based on regional needs would be more effective in shielding vulnerable households from shocks and facilitating upward mobility.

Furthermore, building rural human capital is indispensable. Investments in education, vocational training, and healthcare tailored to rural realities are foundational for long-term poverty alleviation. This includes deploying qualified teachers and health workers to underserved districts, enhancing local institutions of higher education, and creating labor market linkages that reduce the urban bias in employment opportunities (Booth, 2016, p. 104). The capability approach underscores the importance of expanding people's substantive freedoms to pursue lives they value (Sen, 1999, p. 95), which cannot be achieved without localized human development strategies.

Finally, participatory governance and community empowerment are vital for ensuring that interventions reflect local priorities and build social capital. Community-driven development models have shown promise in increasing accountability and responsiveness at the local level. However, these must be institutionalized rather than implemented as one-off projects. Embedding participatory planning into district governance structures can create more inclusive and sustainable development pathways (North, 1990, p. 86).

In summary, disrupting poverty traps in rural Indonesia requires an integrated policy approach that combines decentralized governance, targeted investments, local economic development, human capital enhancement, and adaptive social protection. These strategies must be informed by district-level data and embedded within the institutional contexts of each locality. Only then can Indonesia shift from temporary poverty reduction to sustainable rural transformation.

This study has addressed three central research questions concerning urban–rural disparities and poverty traps in Indonesia through a district-level lens. The first key finding is that disparities manifest not only in income levels but also across multiple dimensions such as infrastructure, education, health, and institutional performance. Rural districts, especially those in geographically remote or ecologically vulnerable areas, face significant developmental constraints due to infrastructural deficiencies, limited service access, and exclusion from economic opportunities (BPS–Statistics

Indonesia, 2015; World Bank, 2016). This reinforces spatial inequality and perpetuates systemic underdevelopment.

The second major finding concerns the mechanisms sustaining poverty traps. These include limited access to productive assets, environmental vulnerability, inadequate infrastructure, weak institutional capacity, and restricted human capital development. These factors operate simultaneously and often interdependently, creating cycles of deprivation that are difficult to escape without targeted external intervention. The study contributes to the literature by showing how these mechanisms manifest uniquely at the district level, offering a more granular understanding of poverty persistence than national or provincial analyses typically allow.

The third key finding identifies the potential for disrupting poverty traps through decentralized and place-based policies. Strategies such as spatially targeted infrastructure investment, capacity-building for local governments, adaptive social protection, and participatory development planning emerge as critical pathways for inclusive transformation. These policy approaches are especially relevant in Indonesia's decentralized governance structure, where district-level variation in institutional quality plays a major role in development outcomes.

Theoretically, this study expands existing models of spatial poverty traps and dependency by integrating institutional theory and the capability approach. This fusion provides a more comprehensive framework for analyzing how geography, governance, and human development intersect in perpetuating or alleviating poverty. The research contributes conceptually by illustrating the value of district-level analysis in development studies, offering a refined lens that reveals intra-provincial disparities often hidden in aggregate data.

Practically, the findings inform policymakers and development practitioners on the importance of tailoring interventions to local contexts. This includes strengthening district-level planning systems, improving intergovernmental fiscal frameworks, and creating responsive safety nets that account for geographic and institutional diversity. Furthermore, the research highlights the need for policy coherence between national objectives and local realities, ensuring that resource allocation and program implementation effectively reach Indonesia's most disadvantaged districts.

CONCLUSION

This study has examined the enduring urban–rural disparities and the mechanisms sustaining poverty traps in Indonesia through a district-level analysis. The findings underscore that spatial inequality in Indonesia is not merely a legacy of economic

history but a structural condition maintained by unequal infrastructure, limited institutional capacity, and regionally biased policy design. Rural districts, particularly in Eastern Indonesia, remain locked in cycles of underdevelopment due to geographic isolation, lack of access to public services, and restricted economic opportunities.

The theoretical alignment with spatial poverty traps, cumulative causation, and dependency theory provides a coherent explanation for the persistence of poverty in rural regions. The incorporation of institutional theory and the capability approach further broadens the analytical scope, demonstrating that poverty is a multidimensional deprivation rooted in systemic exclusion. The district-level lens employed in this study offers a critical contribution to the literature by revealing sub-provincial disparities often obscured in national statistics and conventional analyses.

From a policy perspective, this research reinforces the need for place-based and decentralized development strategies. Recommendations include targeted infrastructure investments, capacity enhancement for local governments, locally relevant human capital programs, and adaptive social protection systems. These recommendations are both practical and actionable, with direct implications for Indonesian policymakers and development agencies.

Looking forward, future research could extend this study by incorporating mixed methods, including fieldwork and interviews, to capture community-level insights. Comparative analysis across regions or countries could also enrich the understanding of spatial inequality dynamics. Ultimately, achieving inclusive development in Indonesia requires a strategic focus on local contexts, institutions, and people—only then can the cycles of rural poverty be truly disrupted.

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