

## Residential Area and Income Inequality in Suburban Indonesia

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**Abstract** Suburban becomes footing for the population who migrate from rural to urban areas, especially from living and housing. Similarly, when the population in urban areas assume that the city is no longer comfortable to their live, so the only possible choice for them is moving to suburb. The subsequent impact of the phenomenon is tremendous construction of residential areas as a result of the high demand for housing. The problem then is the construction of residential areas often neglect the interests of the local neighborhood. Thus, the residential area becomes a kind of modern residential area in a local neighborhood. Then it widens its impacts of inequality between communities in residential area with communities in local neighborhood. This paper presents the finding that contributor of income inequality in suburbs areas in Indonesia comes from a modern residential area. The evidence for the argument is the result of Theil Entropy Index calculation on modern residential area is higher than the traditional residential area, which is respectively 0.34 and 0.15.

**Keywords:** Housing, Exclusive Cluster of Housing, Local Neighborhood, Theil Entropy Index.

**Abstrak** Kawasan suburban menjadi tumpuan bagi penduduk yang melakukan migrasi dari desa ke kota, terutama dari aspek tempat tinggal dan perumahan. Begitu pula ketika penduduk di kawasan urban menganggap bahwa pusat kota tidak lagi nyaman untuk ditempati. Satu-satunya pilihan yang mungkin rasional bagi mereka adalah pindah ke kawasan suburban. Dampak lanjutan dari fenomena itu adalah massifnya pembangunan kawasan perumahan sebagai akibat dari tingginya permintaan terhadap rumah. Persoalannya adalah seringkali pembangunan kawasan perumahan mengabaikan kepentingan penduduk setempat. Sehingga, area perumahan modern itu menjadi perumahan mewah di lingkungan tradisional. Dampaknya justru memperlebar jurang ketimpangan antara warga yang berada di kawasan perumahan dengan warga yang berada di lingkungan tradisional. Paper ini menyuguhkan temuan bahwa penyumbang ketimpangan pendapatan di kawasan suburban di Indonesia justru bersumber dari kawasan perumahan modern. Bukti atas argumen itu adalah hasil kalkulasi Theil Entropy Indeks pada kawasan perumahan modern lebih tinggi dibandingkan dengan kawasan perumahan tradisional, yakni masing-masing sebesar 0,34 dan 0,15.

**Kata kunci:** Perumahan, Perumahan klater, permukiman tradisional, Theil Entropy Index.

### I. Introduction

The important moment of changing in the pattern of development in Indonesia at least started in 2001 characterized by autonomy and decentralization. It is marked by the passing of the Act. No. 32/2004 (Revision of Act. No. 22/1999) on Local Government and Act. No. 33/2004 (Revision of Act. No. 25/1999). Both of these laws aimed at addressing the vertical and horizontal imbalance in Indonesia.

However, ten years implementation of autonomy and decentralization seems to have not shown satisfactory results. This was indicated by evident of unequal distribution between rural and urban development in Indonesia. National Statistical Bureau (BPS) said, in November 2011, rural still suffer severe poverty than urban areas. In 2009 for example, the number of poor people reached 20.62 million in rural and 11.91 million in urban. In 2010 the number decreased to 19.93 million in rural and 11.10 million in urban. While in 2011, 18.97 million people in rural areas and 11.05 million in urban [BPS, 2011].

The high level of poverty as a result of low-wage employment is the cause of poor people in rural areas to migrate to the city. This is a rational choice for them to get a better life. At the end, it will be has a result: the tendency of high migration from rural to urban over time.

The migration also has an impact to the suburbs, such as Tangerang, South Tangerang, Bekasi, and Depok. This process is viewed as an extension of the urban area (Jakarta) to suburbs that impact the spread of the scale of real urban management. This phenomenon is often considered as a process that is contradictory considering that is accompanied by the conversion of highly productive agricultural land. Process known as suburbanization is defined as the process of formation of new settlements and the industrial area on the edge of urban areas mainly as a result of displacement of city dwellers who need a place to live and industrial activities [Rustiadi et al., 2011].

Even Hartadi [2009] states that “the development of the city led to an increase in activity and the demand of the land to support its activities, while the land has limited both the availability and the ability of carrying capacity. Housing and its facilities require large land

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areas compared to most other uses”.

South Tangerang Municipality for example. As a proliferation of administrative region of Tangerang Regency which was inaugurated in 2008, South Tangerang Municipality has seen an increase in migration and suburbanization significantly from year to year. Local Statistical Bureau shows, in 2008 the population reached 918.783 people. This number increased to 1.2 million (2010); 1.3 million (2011) and 1.4 million people in 2012.

The increase of population in the region indicates that there is suburbanization from the urban to the surrounding suburbs. This is apparently due to the increasing size of the carrying capacity of land settlement in urban areas. Therefore, there is no other option for residents in the urban areas to seek settlements can provide comfort and security for his family, both from the social and environmental aspects. But this phenomenon in turn have an impact on the increasing demand for land and residential in South Tangerang Municipality.

The ‘naked’ indication shows of the number of residential developers areas increased from 2008. According to local government, in 2008 the number reached 176 developers. While at this time, the number of developers increased to 200 developers. Developers then construct the residential areas in the region.

The problem then is the construction of residential areas often neglect the interests of the local population. Not infrequently, the development is carried out in the middle of the local neighborhood. Thus, the exclusive clusters that it becomes a kind of modern luxury housing in a local neighborhood.

Watching this phenomenon, in fact not all residential areas have positive impact on regional development. Based on the explanation, this paper examines income inequality between community who live in residential areas and community in local neighborhood.

## 2. The Methods

The study used observational design where the tools is quantitative methods. The type of data used is primary data. Primary data were collected by using questionnaires and interview instruments. While sampling technique used purposive sampling. The tools of analysis used is the Theil Entropy Index.

The advantages of the Theil Entropy Index than the Gini Index is its ability to measure inequality by groups of individuals. In addition, it is able to calculate the index of inequality between groups of individuals and inequality between individuals in a group, where the sum of the both will result a total inequality between individuals [Pribadi et al., 2010].

According to Litchfield [1999] in Pribadi et al. [2010], there are some compositions that can be done using inequality indices based entropy, including Theil Entropy Index.

It decomposes inequality into inequality between groups of individuals and inequality between individuals in the group.

Total income often comes from different sources, such as salary or wages, income from capital investment, private or government assistance (public transfers) and so on. By knowing the sources of income, it will be able to know which sectors are going to push the level of inequality, and which sectors are going to encourage equality.

Decomposition is a combination of static decomposition by population based and decomposition on income sources or sectors of the economic based. As the first step, we need to define necessary variables first before finding the Theil Entropy Index formula, namely:

$y_i$  : income of individual to-<sub>i</sub>  
 $n_{region}$  : total number of individuals from an area/  
 region

$y_{region}$  : total income area/region,

where  $y_{region} = \sum_{i=1}^{n_{region}} y_i$

On the basis of the definition of the variables above, the Theil Entropy Index equation of each region/area becomes:

$$T_{region} = \sum_{i=1}^{n_{region}} \left[ \frac{y_i}{y_{region}} \times \ln \frac{\frac{y_i}{y_{region}}}{\frac{1}{n_{region}}} \right]$$

Equation 1 shows that the proportion of the income of each individual is the amount of income of each individual's total income divided by the area/region's income. While the proportion of the sample into a (single individual) divided by the total sample or the total number of individuals in an area/region.

Because  $\mu_{region} = \frac{y_{region}}{n_{region}}$ ,

then equation 1 can be modified into the form of equations that are typically seen in Theil Entropy Index, which:

$$T_{region} = \sum_{i=1}^{n_{region}} \left[ \frac{1}{n_{region}} \times \frac{y_i}{y_{region}} \times \ln \left( \frac{\frac{y_i}{y_{region}}}{\frac{1}{n_{region}}} \right) \right]$$

$$T_{region} = \sum_{i=1}^{n_{region}} \left[ \frac{1}{n_{region}} \times \frac{y_i}{\mu_{region}} \times \ln \left( \frac{\frac{y_i}{\mu_{region}}}{\frac{1}{n_{region}}} \right) \right]$$

$$T_{region} = \sum_{i=1}^{n_{region}} \left[ \frac{1}{n_{region}} x \frac{y_i}{\mu_{region}} x h \frac{y_i}{y_{region} / \mu_{region}} \right]$$

$$T_{region} = \frac{1}{n_{region}} \sum_{i=1}^{n_{region}} \left[ \frac{y_i}{\mu_{region}} x \left( h \frac{y_i}{\mu_{region}} \right) \right]$$

To calculate Ttotal it is directly applied the Theil Entropy Index equation in the individual level, so that the equation will be:

$$T_{total} = \sum_{i=1}^{n_{total}} \left[ \frac{y_i}{y_{total}} x h \left( \frac{y_i}{y_{total}} \frac{1}{n_{total}} \right) \right]$$

Where  $n_{total}$  is the entire sample in the area while  $y_{total}$  is individual total income of entire sample. In line with equation 3, the Ttotal value can also be calculated through decomposition process that generates three equations, namely:

1. Inequality equation between regions/areas

$$T^{\bullet} = \sum_{c=1}^{n_{region}} \left[ \frac{y_c^{region}}{y_{total}} x h \left( \frac{y_c^{region}}{y_{total}} \frac{n_c^{region}}{n_{total}} \right) \right]$$

Where  $m_{area}$  is the number of housing area,  $y_c^{area}$  is the total income in the residential area c, and  $n_c^{area}$  is the total sample in residential areas to-c.

2. Inequality equation of inter-regions/areas in 1 region

$$T^{\bullet\bullet} = \sum_{c=1}^{n_{region}} \left[ \frac{y_c^{region}}{y_{total}} \mathcal{F}_c^{region} \right]$$

Where Tregion is inequality inter-regions/areas in the region to-c, which can be translated again into equation:

$$T^{\bullet\bullet} = \sum_{c=1}^{n_{region}} \left[ \frac{y_c^{region}}{y_{total}} \mathcal{F}_c^{region} \right]$$

Where  $y_{cp}$  and  $n_{cp}$  is income and samples from each region/area residential area in the region to-c, where c-region consists of  $m_c$  regions/areas.

3. Equation inequality between individuals in the region as expressed in equation 3.

From the description above, finally it can be written the general formula of Theil Entropy Index is commonly known that: (Pribadi et al, 2010).

$$T = \underbrace{\sum_{i=1}^{y_i} \left( \frac{y_i}{\sum_{i=1}^k y_i} \right) x \ln \left( \frac{y_i / \sum_{i=1}^k y_i}{n_i / \sum_{i=1}^k n_i} \right)}_{(a)} + \underbrace{\sum_{i=1}^k \left( \frac{y_i}{\sum_{i=1}^k y_i} \right) \sum_{p=1}^m \left( \frac{y_{ip}}{y_i} \right) x \ln \left( \frac{y_{ip} / y_i}{n_{ip} / n_i} \right)}_{(b)}$$

Where:

$y_i$ = amount of income from group to-i

$n_i$ = number of sample from group to-i

$y_{ip}$ = amount of income from subgroup to-p within group to-i

$n_{ip}$ = number of population from subgroup to-p within group to-i

$k$ = total number of group

$m$ = total number of subgroup

(a)= between inequality

(b)= within inequality

3.Result and Discussion

In this study, the observed region is South Tangerang Municipality. South Tangerang is one of municipality in Banten Province. The region is located in the eastern of Banten Province and administratively consists of 7 districts and 54 sub-districts with an area of 147.19 km<sup>2</sup> (Figure 1). The region as well as the area that connects the Banten to Jakarta Province. South Tangerang is also one area that connects Banten to West Java Province. This geographically

Table 1. Base Physical Potency of Tangerang Selatan Municipality

No	Base Physical Potency	Annotation
1	Geographical Location	Eastern Banten Province
2	Area	147,19 Km2 or 14.719 Ha
	North	Tangerang Municipality
	East	Jakarta Pronvince
	South	Depok Municipality and Bogor Regency
	West	Tangerang Regency
3	Regional Administrative	
	Districts	7 districts
	Sub-districts	54 sub-districts

Source: Act. No. 51/2008 Local Act No. 6/2010 on Structure of Local Organization Local Act No. 6/2010 on Structure of Local Organization





Figure 1. Map of South Tangerang Municipality

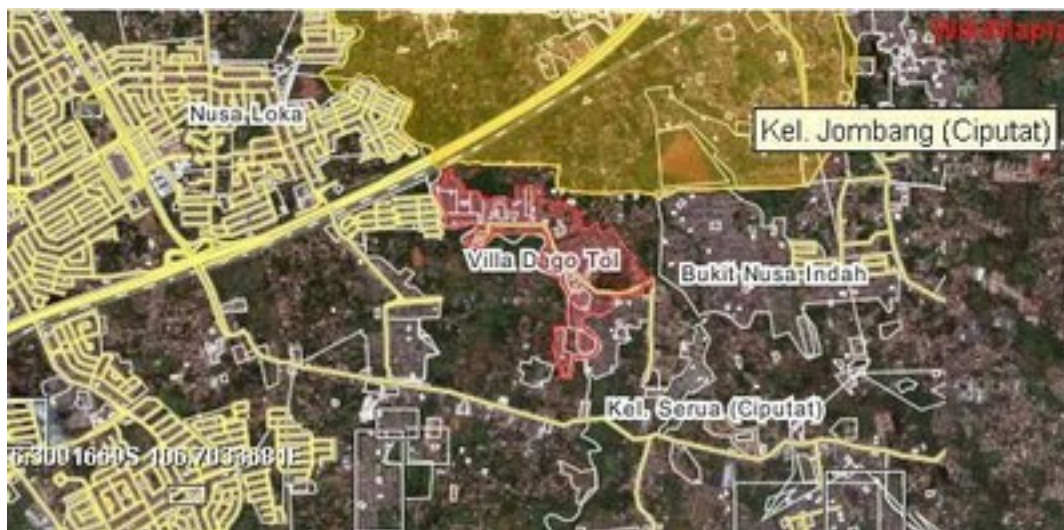


Figure 2. Satellite Map of Villa Dago Tol Residential



conditions makes the region as a buffer see Table 1.

The survey was conducted to four residential cluster areas which located in three districts and five sub-districts. Those districts are Ciputat, Serpong, and Pamulang. While the sub-districts are Serua, Ciater, Benda Baru, Bakti Jaya, and Pondok Ranji. Observed clusters of residential areas are: first, Villa Dago Tol Residential (Figure 2). This residential was developed by PT. Grup Duta Putra with total area up to 32 hectares, consists of 1,500 housing units. Began construction in 1999 and began to be marketed in 2001. This residential is equipped with sports arenas such as swimming pools, tennis and basketball courts.

Secondly, Villa Dago Pamulang Residential (Figure 3). This residential is located in Pamulang District. It was built around 1995 by PT. Grup Duta Putra with total area to 100 hectares. Inside of the residential, there are a variety of business facilities including a modern stores and a number of other intermediate enterprises. In addition, it is also supported by the sports facilities, such as tennis, basketball and badminton courts and also swimming pool.

Thirdly Permata Pamulang Residential (Figure 4). Permata Pamulang Residential is located in the Bakti Jaya Sub-district. There is no accurate information about the residential area, both from the aspect when

it was built, wide area and the number of housing units.

Fourthly, Menjangan Residence Residential (Figure 5). This is the of real exclusive cluster residential. This residential is located in the Pondok Ranji Sub-district. The name "Menjangan" is used because this cluster is located at Jl. Menjangan.

From the survey results, 38 respondents spread proportionally in each cluster residential areas. Following Central Limit Theorema stated that if  $X_1, X_2, \dots, X_n$  is a random variable of the population (in this case, the probability distribution) by any mean  $\mu_x$  and variance  $\sigma^2_x$ , then the mean of the sample tends to be normally distributed with mean  $\mu_x$  and variance:  $\delta x^2/n$

when the sample size is increased to infinity. If  $X_i$  is assumed to come from a normal population, the sample mean will follow a normal distribution regardless of the sample size.

Respondent's income is estimated by household expenditure per month (in Rupiah). Following Deaton (1998), then the expenditures categorized by six (6) groups of expenditure those are: (1) food; (2) clothing; (3) education; (4) transportation; (5) entertainment; and (6) electricity. The table 2 is the average expenditure of respondents by category of expenditure.



Figure 3. Satellite Map of Villa Dago Pamulang Residential



Figure 4. Satellite Map of Permata Pamulang Residential



Figure 5. Satellite Map of Menjangan Residence Residential

Table 2. Average Respondent's Income (Expenditure Based)

Residential Area	Average Expenditure per Month (Rp)					
	Food	Clothing	Education	Transportation	Entertainment	Electricity
Villa Dago Tol Residential						
Community of Residential	2,000,001	800,000	1,400,000	1,000,000	1,200,000	205,000
Local Community Neighborhood	1,000,001	800,000	1,000,000	1,000,000	600,000	170,000
Villa Dago Pamulang Residential						
Community of Residential	1,500,001	1,000,000	1,500,001	1,000,001	1,000,000	212,501
Local Community Neighborhood	1,750,000	1,000,000	1,500,001	1,000,000	750,000	187,500
Permata Pamulang Residential						
Community of Residential	2,000,000	1,200,000	1,400,000	1,200,000	1,000,000	185,000
Local Community Neighborhood	1,000,000	1,000,000	1,600,000	1,400,000	1,000,000	175,000
Menjangan Residence Residential						
Community of Residential	1,600,000	2,400,000	1,000,001	1,000,000	1,000,000	190,000
Local Community Neighborhood	1,000,000	1,000,000	1,400,000	1,200,000	1,000,000	175,000

Tabel 3. Result of Theil Entropy Index

Area of Residential	Yi	n	Yi/ ΣYi	log(Yi/Σyi)/Σni	T Region
Community of Villa Dago Tol	6,605,003.60	5.00	0.59105148	0.191841713	0.11338833
Local Community Neighborhood	4,570,002.00	5.00	0.40894852	0.031885044	0.01303934
ΣYi	11,175,005.60	38.00			0.12642767
Community Vila Dago Pamulang	6,202,503.00	4.00	0.500806166	0.119886071	0.06003968
Local Community Neighborhood	6,192,503.00	4.00	0.499193834	0.118485615	0.05914729
ΣYi	12,405,007.00	8.00			0.11918697
Community of Permata Pamulang	6,985,002.00	5.00	0.525385515	0.140694499	0.07391885
Local Community Neighborhood	6,310,001.00	5.00	0.474614485	0.096557392	0.04582754
Σ Yi	13,295,003.00	10.00			0.11974639
Community of Menjangan Residence	7,190,004.00	5.00	0.554570091	0.164172847	0.09104535
Local Community Neighborhood	5,775,001.00	5.00	0.445429909	0.068995779	0.03073278
T in Community of Residential	12,965,005.00	10.00			0.12177813
Σ Yi					
				T in Community of Residential	0.33839221
				T in Local Community of Residential	0.14874695
				T total	0.48713916



The table below is the result of the calculation of Theil Entropy Index for community groups in the region and in the traditional settlements which are outside the modern housing

Substantial questions arise related to the findings of Theil Index in each area. First, why does the community within the residential area has higher income inequality than the community in local neighborhood? Secondly, why does the cluster residential area actually contribute to total inequality in the suburb?

This is the answer. Suburb area is defined as the difference between suburb according to social class, land use and character of its development [Thorns in Vaughan, 2009]. In other terms, the suburb also be referred to as the "urban fringe" which is defined as the suburbs that are in the process of transition from rural areas into urban. Its transition can be seen from land conversion from agricultural into residential and business activities [Giyarsih, 2001]. In a more technical definition in my opinion, suburb is a hinterland that is filled by the residential are, and a place where the workers in the city lived. And thus, over the majority of the population are commuters. Commuter is a person who travels to a city to work and back to the place where they live every day. The concept of commuting becomes important as an explanation for these findings. Suwardjoko [1990] states that the factors that effect of commuters such as the level of income, vehicle ownership, structure and size of the housing, the land value and the density of residential areas, the purpose of travel and travel time, mode of transportation, travel distance and land area.

While Pas [1984] in Permatasari and Hudalah [2013] states, the daily commuting patterns of an employee could not be separated from the characteristics of the workers themselves. The determinant factors that affect the daily commuting patterns consisting of socio-demographic factors and economic, such as age, sex, region of origin, marital status, education, type of work, availability of facilities, and distance of residence [Tamaru, 2005 in Permatasari and Hudalah, 2013]. Punpin [1993] in Permatasari and Hudalah [2013] in his study in Bangkok, Thailand found that age, gender, position are having a correlation with the location of the job. He also stated that the age and ownership of housing is related to the time to travel, and distance of travel associated with the position and the ownership of housing.

So these findings confirm the Punpin's [1993] empirical data shows, the age composition in South Tangerang Municipality was dominated by the range of age 20-39 years. The number of population of the 25-29 years of age are the most in South Tangerang, which reached 10.13% of the total of population. Next followed by the 30-34 years of age, 35-39 years of age and 20-24 years of age, which proportion of each is 10.11%, 9.26% and 9.14%. This category of the age is known as productive people in economic activities. In addition, according to the South Tangerang Municipality in Figures 2013 shows that the high school (SMA) has percentage level of education of the population at age 10 years and over, reaching 33.06% of the total population, which was followed by a university level of 20.05% of total population.

In other case, particularly the people who commuting to Jakarta, the Ministry of Transportation recorded 2.1 million trips per day. In transportation aspect, there are various modes of public transportation that can be taken from South Tangerang to Jakarta, either by using public transport such as trains, buses and private vehicles. In railway transportation from Tanah Abang to Parung Panjang Station, the estimated of [www.tempo.co.id](http://www.tempo.co.id) (8th November 2013), the number of passengers reached 600 thousand people per day.

In South Tangerang contained Integrated Border Transportation Bus (APTB). It operates 17 hours (05.00-22.00) with a capacity of 85 people each bus in which the capacity of each route at about 17,340 thousand people per day. The study then confirms the research of Jaya [2012] on the commuting of people in Tlogosari Sub-district to Semarang City, Central Java. Jaya [2012] reported that the vehicle used by the people is dominated by private vehicles, ie motorcycles.

On the other hand, the type of work in the city, especially in Jakarta is highly varied. And this is the one of character of the city that have been identified in the context of geographical demographic differences at the same time between urban and rural areas [Bintarto, 1977]. This occurs because of the nature of work in the city doesn't rely on the vast lands as in rural areas. And most of them is the tertiary sector activities such as services and trading. These sectors include transportation, banking, insurance, education and health (Adisasmita, 2006), which supported by the modern and sophisticated technology. In addition, variations of work type arises because of the needs of the residents of the city, while all of the demand could not be done independently, so they need others to do their needs [Khairuddin, 2000].

In contrast, although that could not be fully expressed that South Tangerang Municipality is a "rural", but in the region there are some areas that are still considered as rural areas. In other words, in South Tangerang Municipality still contains rural enclaves. And it spreads across over the districts in the region. A concrete example of it, there is still agricultural activity in the region, both agricultural and horticultural crops (Table 3). So this evident is more convincing that the region is a suburb.

While Bergel [1955] gives a definition of "rural", Firstly, the rural is defined as any settlement of farmers, regardless of the size of the large-small. Secondly, there is also a commerce villages, but only a small number of the villages have a livelihood in commerce. Following Bergel [1955], the variation of employment in rural areas compared to urban areas is certainly more homogeneous. Because there is still "rural" activity in South Tangerang, then the people who do not work in Jakarta are certainly work in the small agricultural sector and become entrepreneurs (trading). The theoretical argument is confirmed by the data of the number of workers by type of work in each sub-district in South Tangerang (Table 4).

So, variation of type of work in the community of residential area who became the sole reason why the income of community in residential area is not evenly distributed equally than income of community in local

Table 4. Area of Wet Land and Dry Land by District In South Tangerang Municipality

No	District	Wet Land (hectares)	Garden (hectares)	Dry Field (hectares)
1	Setu	29	31,72	121,06
2	Serpong	51	51,93	303,54
3	Pamulang	5	43,90	219,70
4	Ciputat	60	57,68	263,03
5	Ciputat Timur	0	34,20	67,17
6	Pondok Aren	65	65,75	167,54
7	Serpong Utara	10	33,39	144,32

Source: South Tangerang Municipality in Figures 2013

Table 5. Percentage of Population by Type of Work In Serua, Benda Baru, Pondok Ranji, and Bakti Jaya Sub district

No	Type of Work	Serua*	Benda Baru**	Pondok Ranji***	Bakti Jaya***
1	Unemployed	9,95	-	-	53,69
2	Housewife	17,94	51,02	-	15,38
3	Students	27,08	-	-	7,41
4	Pensioner	1,24	0,45	2,15	2,55
5	Civil servants	2,50	1,61	6,58	2,31
6	Army	0,09	0,02	0,17	0,05
7	Police	0,16	0,21	0,03	0,20
8	Entrepreneurs	0,11	5,92	0,14	1,38
9	Farmers	0,03	0,08	0,11	0,44
10	Breeder	0,009	0,07	-	-
11	Private employees	26,38	31,68	90,33	0,81
12	Labor	0,05	7,31	-	14,72
13	Teacher	0,75	0,31	-	0,57
14	Lecturer	0,14	0,10	0,008	0,07
15	Doctor	0,15	0,09	0,09	0,05
16	Midwife	0,02	0,14	-	0,05
17	Others	11,59	0,90	-	0,25

Source: \* Serua Sub-district Profile 2012 \*\* Benda Baru Sub-district Profile 2012 \*\*\* Ciputat Timur in Figures 2012 \*\*\*\* Bakti Jaya Sub-district Profile 2012

Table 6. Minimum Wage per Month in Banten dan Jakarta Province 2011-2013 (in Rupiah)

Region	Year		
	2011	2012	2013
Banten Province*			
Pandeglang	1.015.000	1.050.000	1.182.000
Lebak	1.007.500	1.047.800	1.187.500
Tangerang Regency	1.285.000	1.527.000	2.200.000
Serang Regency	1.189.600	1.320.500	2.080.000
Tangerang Municipality	1.290.000	1.527.000	2.203.000
Cilegon Municipality	1.224.000	1.347.000	2.200.000
Serang Municipality	1.156.000	1.231.000	1.798.000
South Tangerang Municipality	1.290.000	1.527.000	2.200.000
Jakarta Province**	1.290.000	1.529.000	2.200.000

Sumber: \*Banten in Figures 2013 \*\*Jakarta in Figures 2013



neighborhood. This is the logical reason because income is a function of the work undertaken by someone.

Just as in Pondok Ranji Sub-district where Menjangan Residence located, as much as 90.33% of the population work as private employees. Almost half the population in the sub-district work as private employee, which thereafter are civil servants (Table 5). It is quite reasonable to explain of this fact that it is not a civil who works in the office of the Government of South Tangerang, but in the central government. In contrast to Bakti Jaya Sub-district where Permata Pamulang located, as much as 1.38% as entrepreneur; and 14.72% as private employees.

Parallel with the explanation that most of the population in South Tangerang Municipality work in Jakarta as commuters can also be explained by the level of the minimum wage per month. The minimum wage in South Tangerang are almost identical to the minimum wage received by the population in Jakarta. The identical wage rate in both region reflects the similarity in the type of work undertaken by residents. Illustrative comparison of the rate minimum wage per month both South Tangerang Municipality and Jakarta Province is shown in Table 6.

The discussion above becomes clear description of why groups of community in residential area is faced on a higher income inequality than the community in local neighborhood. The study then confirms a study which conducted by Wheeler and Jeunesse [2007]. They concluded: "Consistent with the previous work, the result reveal that the vast majority of a city's overall income inequality is driven by within-neighborhood variation than between-neighborhood variation. ... we then identify a number of metropolitan area-level characteristic that are associated with both levels of and change in the degree of each type of residential income inequality".

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