CHAPTER 8
SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

These part contents the entire conclusion from this research. The conclusion is based on the summary from all the key finding from each objective in this research. This chapter also will explain the recommendation to solve the economic and social disparity in surrounding the Surabaya city.

8.1. Summary of Findings

Urban sprawl from Surabaya city to the surrounding areas makes the typology difference. The urban characteristic in surrounding area began to appear. This condition makes the peri urban areas have urban and rural characteristics. The development of the peri urban area now becomes more advance due to the changes of social and economic aspect. The changes of social economy in peri urban area and make the disparity between urban, peri urban and rural are increasing. There are several findings obtained from this study.

This study was conducted to divide the study area become urban, peri urban and rural area using cluster analysis by using several indicators among others: social condition, intensity of activity, land use, accessibility, level of infrastructure services and economic structure. After that this study also calculates the social and economic disparity using Theil index with the total of pre-prosperous household and GDP for indicators. Finally these researches try to find the factor that causes the disparity using multivariate correlation analysis. The variable that was used in this research is based on the literature review and the previous research related to this topic. The quantitative analysis method was used in this research in three time periods (2008, 2009, and 2010). Secondary data collection method used to collect the data and found out the figure of each study area. 67 sub-districts in surrounding Surabaya was selected to become a study area of this research. There are several findings from this research, among others.
Firstly, based on the cluster analysis can be seen that sub-districts which in urban, peri urban and rural typology always different in every year. Findings show that the sub-districts which include in rural area is very little compared with peri urban and urban area.

Secondly, the characteristic rural area of the analysis is an area which has an agricultural characteristic, a lot of agriculture labor, productivity, and agricultural land use. Rural areas also have lack of infrastructure and primary sector as the potential sector in this area. The peri urban area is the area which has the urban and rural characteristic. This area have agricultural and non-agricultural characteristic in one area. This area has an average level in terms of infrastructure services with the secondary sector as the potential sector in this area. The urban area is the area which has the non-agricultural characteristic. Urban area has a good infrastructure services, a lot of non-agricultural labor and less primary sector productivity due to the small area for agricultural land use.

Thirdly, from the result of the Theil Index can be seen that the social and economic disparity in rural area is very low than in urban and peri urban area. The urban and peri urban area is in the middle or high level in social and economic disparity.

Fourthly, the percentage of electricity users are affecting the social disparity in urban area, health center service distance affecting the social disparity in peri urban area and the percentage of water users effecting the social disparity in rural area. Moreover, the financial, industrial and electricity sector's production caused the economic disparity in urban areas. Trade, construction, transportation, and industrial sectors caused the economic disparity in peri urban area. Whereas, industrial, agriculture and mining sectors can cause the economic disparity in rural area.

8.2. Conclusion

Urbanization has become a trend all over the world. This led to the growth of the city getting out of hand. The phenomenon of urbanization taking place in major cities resulted in an increased demand for housing facilities such as city hall, as one of the basic needs. As a result of the limited land then there is a
tendency of urban development will shift to the suburban area. This condition makes the peri urban area become more developed and make the disparity especially social and economic disparity increase.

There are three areas which formed because of urban sprawl among other, urban areas, peri urban and rural areas. The developers in towards city area make the increasing in land conversion. The agricultural area becomes a build-up area and make the peri urban area become more urban and the rural area become more backward.

The increasing of development especially the peri urban area become more urban have some negative effect. Based on the analysis, the urban and peri urban area have the medium level of disparity. Whereas, the rural area which more backward has the low level of social and economic disparity. This happens because many areas in urban and peri urban area has the different level of development especially in terms of infrastructure. This condition makes the productivity of each sub-district very different and increase the social and economic disparity. Based on the data, total pre-prosperous household in urban and peri urban area are not too much as compared with the total pre-prosperous in rural area. But, this condition doesn't make the social and economic disparity decrease. The differences in terms of salary increase. Some people have a good job with the high salary. On the other hand, there are many people who cannot get the job because of high competition in this area. As a result, there are several sub-district has less pre-prosperous household and there are several sub-district have high pre-prosperous household and make the social and economic disparity in urban and peri urban typology increase.

A factor that caused the social and economic disparity in every typology are different each other. There are several variables that has the correlation and can give the positive or negative impact to the social and economic disparity. The percentage of electricity users are affecting the social disparity in urban area, health center service distance effecting the social disparity in peri urban area and percentage of water users effecting the social disparity in rural area. Moreover, the financial, industrial and electricity sector's production caused the economic
disparity in urban areas. Trade, construction, transportation, and industrial sectors caused the economic disparity in peri urban area. Whereas, industrial, agriculture and mining sectors can cause the economy disparity in rural area.

8.3. Recommendations

From the finding and conclusion that have been obtained in this research, there are several policy recommendations that can be done to solve the problem in the study area, among others:

- Prevent the spread effect of development from urban areas

  The finding from this research show the rural area in surrounding Surabaya is very little compared with urban and peri urban area. The urban sprawl in around Surabaya is spread unplanned. The growing of settlement is faster than the government plan. This condition makes the negative impact especially the existence of agriculture and protected areas such as catchment areas, mangrove, forest areas and many others in the study area. To prevent the spread effect of development from urban area there are several programs that should be done by government, among others:

  - Create the zonation land use planning to give the protection for the agricultural land in peri urban and rural area.

    The government should make zonation planning to prevent the agricultural land conversion. This policy should be strictly with give the punishment to the individual or group which against this policy. Through the zonation, the government will know what the potential land use in every area is. For example, the area which has potential for agriculture will be maintained for agriculture and just several activities which does not interfere the agriculture activity can be located in this area. This regulation should be done for the future planning. How much agriculture productivity, settlement, industry and facility must be provided so they can manage which location can be converted to non-agricultural area and which location that should be prevented for agriculture land to reach the food security.
- Create the sub-districts in the growth center in peri urban area to prevent the land conversion spreading widely.

Create the growth center should be done to prevent the sprawling of the area. Urban sprawl that happened in the study area is spread and led to the difficulties of government to fulfill the infrastructure for the people. A growth center in peri urban area will become the center agriculture market for the rural or peri urban productivity, the center of public facilities and settlement area. So, the government will be able to fulfill the infrastructure needs especially for settlement activity which always increase in this area. This policy also will alleviate the agricultural land conversion to become built up area.

- Economic and social distribution

  The economic and social distribution to alleviate the disparity can be done with several programs among others:

  - Social development for the poor people

    The government can give the subsidy for the poor people to get the education and health facilities so they can use this facility with the price that can be afforded by them. This policy can select Prambon, Krembung, Bulak, Tulangan, Asemrowo, Driyorejo, Menganti, Benowo, Lakarsantri, Krian, Wiyung and Porong to become the priority target area.

  - Infrastructure development with equal distribution in each typology

    Based on the multivariate analysis several infrastructure sectors must be improved, among others:

    o Electricity and water supply: Provision of adequate demand of water and electricity in any region can help in boosting economy. Water and electricity are becoming the basic needs of household, business to industry. If some area cannot provide this basic needs directly will affect to the lowest economic growth and it will increase the economic disparity and give the social disparity because of lack income and make them difficult to fulfill all the social needs and will affect the social condition and disparity.
- Improving of electricity services can be done in Bubutan, Tambaksari, Tegalsari, Kenjeran, Semampir, Tenggilis Mejoyo, Simokerto, Gubeng and Genteng sub-districts.
- Improving water supply services can be done in Balongpanggang, Kedamean, Benjeng, Dudusampeyan, Tegalsari, Tenggilis Mejoyo, Gubeng, Genteng, Bubutan, Kenjeran, and Simokerto sub-districts.

o Transportation system: the condition of transportation especially road effect the efficiency of transportation. If there are some area which have a high average and poor road condition will cannot accelerate the economy growth. These occur because investment for high labor industry doesn’t want to invest in this area due to the high cost of transportation. As a result this area will suffer and the areas which have low average and poor condition of road will have a high investment and can boost their economic growth. There are several sub-districts that can improve the transportation system among others Lakarsantri, Kebomas, Sedati, Asemrowo, Gunung Anyar, Sukolilo, Dukuh Pakis, Manyar and Bulak.

- Industrial development
  The production of the area gives the implication for economic disparity. The production has the high relationship with the highest investment in any sector. Government must distribute the investment base on the potential sector in each region. The high investment can be used as capital to build the industry in large, medium, or small size industry (Micro Industry). As a result, unemployment will decrease and many people have an enough income and can decrease the economic disparity. There are several areas that can become the leading industry such as Tegalsari, Tenggilis Mejoyo, Gubeng, Genteng, Bubutan, Kenjeran, Simokerto, Dudusampeyan, Wringinanom, Manyar, Jabon, Sidayu, Ujungpangkah and Panceng sub-districts.

- Agropolitan concept for rural area
  Based from the government law no. 27 about spatial planning, agropolitan area is the area is a region consisting of one or more centers in the rural areas as agricultural production systems and natural resource management
are indicated by the presence of certain functional linkages and spatial hierarchy’s settlement system unit and agribusiness system. Creating the agropolitan area base on the potential product can be useful to increase the agro production and sales of agricultural products. This condition will make the rural area become develop the area and the economic disparity in rural area.

Government should fulfill all the agro infrastructure to improve the agro production and give fewer prices to process and distribute the agro production. The infrastructure needed to increase agricultural productivity among others, irrigation system, road development, electricity, communication system market development, urban services, bank and credit agency. But, the development of this infrastructure must be adapted to the need for infrastructure to promote the agriculture sector in the area.

The main thinks that should be done to develop the agro infrastructure is the infrastructure should fulfill the needs of rural communities to develop their agro business until in agro processing of production. Develop the road accessibility in accordance with the requirements of the road from the rice field, collector until arterial road. The zoning regulation must be consistent to reduce the high conversion of agricultural land use become built up area.

The government should develop the human resources through providing guidance on how to optimize agricultural production, the production process to increase the value added to how to market their agricultural products is very important in rural areas. If the quality of human resources is increasing, they will have the initiative to make their profit bigger, they will able to operate the advance technology to increase agricultural production and they also can sell their products with high profit. This policy can increase the agricultural sector productivity. This policy will be concentrating on sub-district which is include in rural areas especially in Duduksampeyan, Wringinanom, Manyar, Jabon, Sidayu, Ujungpangkah and Panceng sub-districts.
- **Improve the services sector**
  The financial, real estate, business, trade, hotel, restaurant, and construction sector are very important to reduce the economic disparity. This happens because those variables can boost the economy through absorbing employment and make the economy activity growth and can make the economic disparity decreased. The financial, real estate, business sectors must be developed in Tegalsari, Tenggilis Mejoyo, Gubeng, Genteng, Bubutan, Kenjeran and Simokerto sub-districts. The trade, hotel, restaurant and construction must develop in Lakarsantri, Kebomas, Sedati, Asemrowo, Gunung Anyar, Sukolilo, Dukuh Pakis, Manyar and Bulak.

- **Improve the natural resources benefit**
  There are several sub-districts that can improve the mining production to increase the income and decrease the economic disparity, among others Duduksampeyan, Wringinanom, Manyar, Jabon, Sidayu, Ujungpangkah and Panceng sub-districts.