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Karl Fasbender*

Rural Migration and Regional Development

The Example of Indonesia

Regional disequilibria in the distribution of population lead in many developing countries to migration flows which cannot always be equated with flight from the land or drift to the cities. In diverse countries rural-rural migration is even supported by the state.¹ This rural migration leaves a decisive mark not only on the regional development of the areas from which emigration takes place but also on the absorbing areas. The following article examines the costs and benefits for both.

Traditional growth strategies regard the mobility of labour as a necessary contribution to economic development. Migration is seen as reducing the oversupply of labour (open and hidden unemployment) existing in the – mainly subsistence-oriented – agricultural sector, and making available the labour required in the modern – mainly industrial – sector. With adequate net investment in the modern sector, labour is drawn off until the marginal productivity of labour in the modern and in the traditional sector reaches the same level. The incomes of small farmers also rise accordingly.²

The one-sided economic structure in many rural regions means that intersectoral migration is often at the same time a drift from the country to the towns (one-way mobility). Relatively seldom, but increasingly, other rural areas – usually with a more diversified economic structure – are becoming receiving areas.

The migratory movements desired by neoclassical theory do exist in reality.³ Empirical analyses indicate, however, that the migration of labour does not at all necessarily lead to the positive effects on production and employment which are assumed. Rather, under certain conditions the effects putting a check on growth can even dominate.⁴ This increases the risk of a reduction in overall welfare and the strengthening of existing income disparities between rural and urban regions.

The necessity of intersectoral migration for the expansion and development of the secondary and tertiary sectors is indisputable. This is also true in

principle for the rural-urban migration connected with it, above all because of the agglomeration advantages of the cities.

It is, however, also indisputable that above all in urban agglomerations the disadvantages and negative social effects are now dominant. For example, in cities there is often an oversupply of low qualified workers. In these cases the additional migration of – unskilled – workers not only offers no impulse to growth but, in addition, intensifies the problem of urban poverty, which is closely connected with unemployment.⁵ The efforts to increase job creation in urban agglomerations, which are induced to a large extent by these problems, increase in turn the attractiveness of these agglomerations and thus their magnetism for potential migrants. The accelerated creation of jobs can thus lead to a greater rise in rural-urban migration and so increase the employment problems of the cities.⁶ In view of all this, the reduction

¹ Cf. inter alia United Nations: Population Distribution Policies in Development Planning, New York, 1981.

² Cf. inter alia W. A. Lewis: Economic development with unlimited supplies of labour, in: The Manchester School of Economic and Social Studies, Vol. 22, 1954, pp. 139 ff.

³ Cf. Arbeitsgruppe Stadt-Land-Verflechtung (ed.): Aspekte der Stadt-Land-Beziehungen in Entwicklungsländern, Saarbrücken, Fort Lauderdale, 1982.

⁴ On this and the following cf. inter alia M. Lipton: Migration from rural productivity and income distribution, in: R. H. Sabot (ed.): Migration and the labour market in developing countries, Boulder, Colorado, 1982, pp. 202 ff.

⁵ Taking the distortion of factor and goods prices, the external costs of bad living conditions etc. and the overburdening of means of transport etc. into account can, in addition, make the social gain from migration negative even without taking into consideration the effects on rural areas. Cf. e.g. M. Lipton, op. cit., p. 194.

⁶ Cf. J.-P. Arellano: Do more jobs in the modern sector increase urban employment?, in: Journal of Development Economics, Vol. 8, 1981, pp. 241 ff.

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of rural-urban migration becomes a necessary precondition for the curtailment of urban income imbalances and absolute poverty.⁷

Effects in Emigration Regions

For the mostly heavily populated rural areas from which emigration takes place, emigration means for those who stay – besides the reduction of the often prevailing open or hidden unemployment, the scarcity of arable land etc. – better opportunities of using existing social facilities such as schools and health centres, the capacities of which are often inadequate. In heavily populated areas such as Java, for example, emigration can also represent a precondition for ecological rehabilitation measures.

These, from the point of view of both theory and practice positive, development effects are however also confronted with disadvantages. Effects hindering development can arise from the observable relatively high proportion of young migrants. It is assumed that those who migrate to the cities are most likely to be those with the skills and behaviour patterns which are necessary for the acceptance of technical progress in the countryside. In this case, structures opposed to innovation are even to be expected in the emigration areas, making a not unimportant contribution to the conservation of imbalances to the disadvantage of rural areas.

Furthermore, negative growth effects for the emigration area arise from the often high proportion of relatively well educated persons among the migrants.⁸ That is, for example, the case when the migrant's education has been financed from the family income or from local tax revenue. The area of origin carries the costs of education without participating in its benefits. If, as is often argued to justify public support for education, the social benefits are greater than the private ones, the rural area also loses these positive external effects

⁷ Cf. e.g. P. Bairoch: Urban unemployment in developing countries, Geneva 1973, pp. 69 ff.

⁸ Cf. also G. E. Schuh: Out-migration, rural productivity, and the distribution of income, in: R. H. Sabot (ed.), op. cit., pp. 170 ff.

⁹ Cf. G. Feder, R. Just, D. Silberman: Adaption of agricultural innovations in developing countries: A survey, World Bank Staff Working Paper, No. 444, Washington, D.C., 1981, p. 17.

¹⁰ Cf. e.g. O. Stark: Economic-demographic interactions in agricultural development: The case of rural-to-urban migration (FAO), Rome, 1978, pp. 34 ff.

¹¹ Cf. H.-U. Thimm: Landflucht in Entwicklungsländern, in: R. Bodemeyer, A. A. Bodenstein et al.: Stadt-Land-Verflechtung und Einkommensverteilung in Entwicklungsländern, Saarbrücken, Fort Lauderdale, 1981, p. 19.

¹² Cf. World Bank: World Development Report 1979, Washington, D.C., 1979, pp. 87 ff.

through migration. If in addition to this – as can frequently be observed – education and the adaption of innovations are complementary, then migration also leads to a reduction in the rate of technical progress in the area of origin.⁹

Empirical studies also contradict to a certain extent the hypothesis that the disadvantageous effects for the rural area are compensated for by transfers from the migrants to the families who remain behind.¹⁰ They show that the net transfers are frequently very low in relation to rural income, and are sometimes even negative. Furthermore, they are often used primarily not for investments but to finance the costs of migration and consumer goods. They are also not infrequently used to finance the migration of other family members. In these cases, too, the growth effects are likely to be relatively small. Nevertheless, there are also examples which prove the opposite.

Not least important is the fact that the hypothesis of underemployment throughout the year in many of the regions dominated by the agrarian sector cannot be held to be generally true. But if there is seasonal full employment, emigration will lead to a fall in total production, in as far as this cannot be compensated for by simultaneous technical progress.

The effects of migration outlined above can result in the social costs of migration being greater than the social benefits, even when the individual migrant's real income increases. They demonstrate, further, that migration does not necessarily lead to a reduction in income differentials between urban and rural areas. Emigration can rob the area of precisely those people who could give the most support to rural development.¹¹

Consequences for Development Policy

Which effects predominate in the rural emigration areas, in the urban absorbing areas and in the economy as a whole, must be examined for each case individually. The aim must be to steer migration in the direction which is desirable from the point of view of development policy.

Although the geographical concentration of economic activities and the growth of large towns represent necessary by-products of the development process,¹² the latter as a rule means a reduction in rural-urban migration because of the disadvantages of agglomeration which have meanwhile arisen in the urban centres.

This can, however, also be a result of attempts to redirect migration flows from the towns to the country.

Thus, Harris and Todaro¹³ came, in their examination of several African states, to the result that increases in employment in the non-agrarian sectors hardly lead to a reduction worth mentioning in the employment gap. They conclude from this that employment opportunities must be created above all within the agrarian sector in order to reduce (visible) urban unemployment.¹⁴ There is often a readiness to return when the subjective expectations of the migrants are not met in the city and they have not relinquished their property rights in the country.

Probably of greater importance, however, are measures to reduce the flight from the land. As a rule, only regional packages of measures are of use here, which, apart from the extension of the physical and social infrastructure, the development of crafts, small-scale industry and the services sector, also include family planning programmes etc.

Rural-Rural Migration

Where still unutilized rural potentials are available, the initiation or strengthening of rural-rural migration offers a means of complementing rural regional development. Efforts in this direction can be observed in a multitude of African, Latin American and Asian states with interregional disparities in the distribution of income.

Thus, for example, Indonesia is attempting to reduce the population pressure on the densely populated inner islands of Java and Bali within the framework of a complex package of measures, which include official transmigration programmes and the settlement of spontaneous migrants in rural regions. Economic policy arguments also speak for these measures,¹⁵ for example the fact that the tapping of the natural resources on the thinly populated outer islands such as Kalimantan (Borneo) requires the immigration of labour. This is true for industry and mining as well as for the agricultural sector. Even within individual provinces, for

example in West Sumatra, efforts are being made to balance out overpopulation and underpopulation in individual rural districts by the promotion of intraregional migration.

Rural-rural migration is thus becoming an interesting development approach which has until now been paid relatively little attention in the literature. If the volume and pattern of this migration correspond to the requirements of development policy, this could lead to a reduction of both urban and rural development problems. However, autonomous migration without state support in the starting phase is, as a rule, still relatively unimportant.

Motives for Migration

Possibilities of influencing rural migration can be deduced from the motives and expectations of potential migrants. Above all, the basic explanations of migration by Todaro and Harris, as well as by Stark,¹⁶ can be drawn on here.

In the Todaro-Harris model the potential migrants compared their subjectively expected earnings in the immigration area with the costs of migration. The latter include not only the direct costs of migration but also the probable earnings forgone in their area of origin as well as the, usually subjectively forecast, unemployment for a transitional period in the new area. In Stark's model the individual's decision is replaced by that of the extended family. In principle here too, the expected earnings in the area of origin are (primarily) subjectively evaluated and compared with those in the area of immigration less the direct migration costs (utility maximization). In addition, however, there are extended family arguments such as the reduction of risks by diversifying the sources of income of the family members of employable age. The expected transfers home by the migrants can be used to counter the risks of crop failures and financial gaps from other causes.

Empirical analyses allow the conclusion that the Todaro approach is more strongly oriented towards the migration decisions of poor, landless families. The Stark approach, on the other hand, puts the subsistence farmers in the foreground.¹⁷ Both approaches assume that the relative underdevelopment in the potential area of emigration, combined with inadequate income opportunities, is decisive for the decision to migrate (push effects). The direction of migration, usually to the

¹³ Cf. J. R. Harris, M. Todaro: Migration, unemployment and development. A two sector analysis, in: *American Economic Review*, Vol. 60, 1970, pp. 126 ff.

¹⁴ Cf. inter alia W. von Urff: Die Rolle der Landwirtschaft in der wirtschaftlichen Entwicklung, in: P. von Blanckenburg (ed.): *Sozialökonomie der ländlichen Entwicklung*, Stuttgart, 1982, p. 20.

¹⁵ Transmigration is also aimed towards non-economic objectives, such as contributions towards "nation building". Cf. inter alia D. Keschull: *Transmigration in Indonesia*, Hamburg, 1986.

¹⁶ Cf. inter alia J. R. Harris, M. Todaro, op. cit.; M. Todaro: Income expectations, rural-urban migration and employment in Africa, in: *International Labour Review*, Vol. 104, No. 5, Geneva, 1971; O. Stark: Research on rural-to-urban migration in LDCs: The confusion frontier and why we should pause to rethink afresh, in: *World Development* 10, 1982; O. Stark: Economic-demographic interactions in agricultural development. The case of rural to urban migration, FAO (ed.), Rome, 1978.

¹⁷ Cf. Wissenschaftlicher Beirat beim BMZ: Regionalentwicklung und Grundbedürfnisstrategie, in: *Forschungsberichte des BMZ, Herausforderungen für die Entwicklungspolitik in den achtziger Jahren*, Vol. 36, Munich, Cologne, London, 1982, p. 331.

cities, is determined by the actual or subjective attractiveness – characterized essentially by income expectations – of the areas in question (pull effects).

The Example of Indonesia

The common basic assumptions of the approaches outlined above are verified by an empirical survey by the HWWA of 348 Javanese and Balinese transmigration families before their departure to rural areas on the outer islands.¹⁸ 95% of those questioned stated that poverty together with poor harvests, inadequate living conditions and insufficient income had induced them to leave.

The primarily economic push factors in resettlement are confirmed by the analyses of the situation regarding property and income. Although almost all of the settlers drew the larger part of their income from agricultural activities, 70% of the families owned no land. About 12% owned an area of less than 0.1 hectare and a further 11% between 0.1 and 0.49 hectare. Only 2% of those questioned worked more than one hectare of land.

The information on the income of transmigrants is vague, but it does show a clear trend. In 1982, 80% of families achieved a monthly income of less than US\$ 10, and 21% even less than US\$ 3. Even if these figures cannot be taken too literally, they are certainly inadequate for the satisfaction of basic needs. This was confirmed by other income indicators. Only about 33% of the families had a house or a hut, only 23% had a bicycle. In this light, possession of a sewing-machine (ca. 5%) or a motorcycle (almost 3%) must be regarded as a real "sign of affluence". Even here it must be taken into consideration that these purchases have often been possible only with the aid of relatives.

The low standard of living of most transmigrants also characterized their expectations. Although they had

only limited information about their future living conditions, their expectations did not appear exaggerated. All of the settlers knew, however, that there was no shortage of arable land in their new place of residence and that in spite of government support hard pioneering work awaited them. All transmigrants hoped for a better standard of living for their children, and 31% for better educational opportunities. With a higher income, 27% would spend more on basic foodstuffs, 32% on clothing and 8% on healthcare (3 answers were allowed).

But apart from that, before the decision to resettle is taken as a rule all possibilities are examined of staying with the extended family, with the ancestors and in the homeland. Migration always takes place with the agreement of spouse and parents.

Effects of Push and Pull Factors

The survey shows clearly that the low standard of living (as a rule, the absolute poverty) together with few prospects of an improvement, was the actual reason – the decisive push factor – for 90% of the transmigrants to leave their rural home. Surveys of autonomous migrants, i.e. families without government migration assistance, show similar trends. Here too, inadequate income, usually below the poverty line, is the decisive reason for migration.¹⁹

For a small percentage of migrants the pull factors are the real reason for resettlement. Surveys in East

¹⁸ On this and the following cf. D. Kebschull, K. Fasbender: Transmigration – The Indonesian Resettlement Programme, in: UB-HWWA Report No. 3, Bielefeld, Hamburg, 1987.

¹⁹ On this and the following cf. K. Fasbender, S. Erbe: Transmigration in Ost-Kalimantan, UB-HWWA-Report No. 4, Bielefeld, Hamburg, 1988; and W. Clauss, H.-D. Evers, S. Gerke: The Formation of a Peasant Society, UB-HWWA-Report No. 2, Bielefeld, Hamburg, 1987.

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Kalimantan identified a group of transmigrants whose financial situation was good. These were the owners of relatively large agricultural businesses, which were now being run by their children or relatives. The main motive for emigration was the more positive income expectations due to the agricultural potential existing in the areas to which they had moved. Most of these settlers had already had personal contact to families in the settlement area before they took the decision to migrate and some of them had previously visited the settlement area.

As a rule, however, pull factors of this kind do not influence the decision to migrate, but rather the direction of migration. The pull effect of large towns continues to be of considerable importance here. The limitation of access, which was for example in Jakarta tried out for a period, can change this only little or only temporarily.

The rural regions of the outer islands are, however, gaining in attraction. Although the Indonesian newspapers have in recent years reported not only on the opportunities connected with transmigration but also on the difficulties, and although emigration from Java and Bali means leaving the extended family, the local culture etc., the number of applicants exceeds the financial support available from the Ministry responsible.

Rural-rural migration in Indonesia means high costs for the settler compared to rural-urban migration within Java, above all because of the necessary expenditure for transport between the islands and for living expenses until the first harvest. These are wholly or partially covered by the government under the resettlement programme. From 1951, the beginning of official transmigration, to 1988 altogether about 1.4 million families were given support. Within the framework of the Five Year Plan which has begun in 1989 (Repelita V) a further 550,000 families are to be resettled, 33% of which will have all their resettlement costs covered.

The actual number of rural-rural migrants, however, is now two to three times greater than that of the transmigrants. In these cases the cost of shelter, food and assistance for the start are often covered by friends and relatives in the settlement area. Land is taken possession of free of charge, usually illegally. It is often the case that workers who originally came to the outer islands as temporary workers for the construction of industries, roads etc. get their families to join them after their contracts have run out in order to settle in rural areas. Thus, for those sections of the poor population who have no personal contacts in the area of immigration, costs are the most important barrier to

migration, if they do not receive support under the transmigration programme.

In the final analysis, therefore, information on development potentials and possibilities is decisive for the direction of transmigration. One third of the transmigrants questioned received this information from the Ministry responsible. A further third was informed each by friends and relatives who had already migrated and by village mayors, informal leaders etc. Direct or indirect personal contacts are thus the main source of information for transmigrants. This is probably even more the case for autonomous settlers. It can therefore be assumed that most settlers are informed not only about development opportunities but also about the difficulties arising. The security motive is therefore of great importance. Detailed knowledge is, however, not the rule, at least in the case of the transmigrants. Thus, for example, 44% of those questioned before departure were not adequately informed as to soil quality, appropriate handling methods etc. Improved information from the Ministry of Transmigration and/or the immigration provinces could influence the volume and pattern of migration flows in line with development policy requirements.

Economic Effects of Rural Migration

The most important objective is to reduce the population pressure on the inner islands, especially Java. The population figures clearly show that migration can only make a certain contribution – within the framework of a complex development programme – towards solving the development problems. In 1985, 99.5 million people (61% of the population) lived on Java, which has 6.9% of the country's area. The population density was 752 inhabitants per sq. km. By the beginning of 1989 the population had risen – in spite of outmigration – by more than 6 m. to approximately 105.8 m. A further increase to 114 m. is expected by 1994. In comparison, approximately 2.5 m. transmigrants were resettled, i.e. about 500,000 per annum. Taking autonomous migration into account the total figure is probably at least 7.5 m., i.e. more than 1.5 m. per annum. The reduction aimed for in the natural population growth of 0.2 percentage points to an average of 1.5% p.a. in comparison would only mean the contraction of growth by about 225,000.

Migration also represents an important contribution to the solving of the employment problem. Thus, for example, an average rise in the demand for jobs of more than one million annually is forecast for Java for the period to 1994. Without transmigration the figure would be about 20% higher. This must be compared with the

costs of creating jobs in agriculture, including the costs of resettlement and the creation of infrastructure, of US\$ 3,300 to 4,100 each. The creation of a job in industry – the realistic alternative for Java – costs, on the other hand, US\$ 10,000 to 20,000.

It is also important to emphasize the contribution of transmigration to solving ecological problems on the inner islands and to making development programmes requiring large areas possible (infrastructural measures, reafforestation etc.). In the period 1984/87, for example, 37% of the transmigrants came from regions where such measures were planned. Disadvantages for the emigration regions caused by the relatively high educational level of the migrants could not be ascertained. On the contrary, the level of education is so low – only 14% of the male and 5% of the female transmigrants had a higher school education – that this tended to cause social conflicts regarding adjustment in the areas of immigration. The hypothesis of a relatively high share of young and innovative migrants, on the other hand, is also true for Java. Because of the population structure, however, hardly any disadvantages worth mentioning are to be expected from this.

At least as relevant for development are the effects of migration on the outer islands. Especially in sparsely populated areas many investments which are necessary for development, for example in the fields of physical and social infrastructure, become economically justified through migration, and the development of agricultural potential becomes possible. About 17% of the staple food rice produced on the outer islands is cultivated on transmigration land. From the cultivation of coconut and oil palms, of rubber and other tree cultures, which has been given a high priority for a number of years, considerable contributions to domestic supplies and to exports are to be expected in the near future. When the autonomous migrants are taken into account, who for example dominate the cultivation of pepper in East Kalimantan, the corresponding contributions to development are very much higher.

As surveys in East Kalimantan (7.6 inhabitants per sq. km.) have shown,²⁰ the average household income of the transmigrants, who before departure almost without exception belonged to the poorest layers of the population, was far above the poverty line. However,

these really impressive average figures cover over disparities which are sometimes quite considerable. Thus, almost 30% of the settlers, often concentrated in individual settlements, were not (or not yet) able to earn an adequate subsistence income.

Altogether it can, however, be stated that transmigration, and above all rural-rural migration as a whole, provides stimulants to social and economic development which are important and sometimes decisive.

These positive stimulants must be measured against the economic costs. In the discussion on development policy, the reduction of the amount of forest is emphasized in this connection. The direct damage is, however, in contrast to widespread opinion, low in Indonesia compared to countries like Brazil. By the year 2000 between 1.7% and 4% of existing forest – in East Kalimantan less than 1% – will be used for transmigration purposes. These figures include degraded forest areas, the ecological and economic rehabilitation of which according to the opinion of environmental protection organizations and according to official guidelines is supposed to be one of the tasks of the transmigrants.

The statement that the damage to existing forests is relatively low assumes, however, that sustainable farming systems in line with economic and ecological requirements are applied and that therefore the settlers have no occasion to use shifting cultivation. Corresponding models are, for example, being developed by the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and multiplied. But there is still a considerable backlog of demand. Particularly disadvantageous is the fact that the autonomous migrants until now have seldom been given the appropriate advice and also that they are usually not given land based on land-use planning. The result is that these so-called "wild settlers" take possession of potential settlement land according to the criterium of its being easy to clear, which is often completely contrary to ecological considerations.

There are still considerable opportunities here of reducing the conflict between rural-rural migration as a means of increasing living and development standards, and the greatest possible preservation of tropical forests. Independent of this example it can be stated that rural-rural migration can only represent a suitable instrument for development policy if it is incorporated into a regional and land-use planning which conforms to development needs.

²⁰ Cf. S. Erbe, K. Fasbender: *Ökonomische Entwicklung in ausgewählten Transmigrationsprojekten der Provinz Ost-Kalimantan*, UB-HWWA-Report No. 5, Bielefeld, Hamburg, 1989.