

*Indonesia: The Transmigration Program in Perspective. A World Bank Country Study.* Washington, D.C.: World Bank, 1988. Pp. xlii, 227.

In 1986 Indonesia's population was 168 million, of which 100 million lived on Java, which accounts for 7 per cent of the land and has one of the highest population densities in the world. The country's population growth rate has declined but is still high at 1.8 per cent per annum, and farm sizes are small. This population pressure has led to the over-utilization of farm land and declining incomes. Urban migration is a serious problem. In order to address some of these problems, transmigration has been encouraged by the government as a way "to cope with population growth, reduce deforestation in the inner islands, create productive employment and stimulate regional development" (p. xviii). In this World Bank study, it is also reported that

between 1980 and 1986 the Indonesian Transmigration Program supported the movement of more than two million people from the densely populated "inner islands" of Java, Bali, and Lombok to the less populated "outer islands" of Sumatra, Kalimantan, Sulawesi and to a lesser extent Irian Jaya. An equal number of people are believed to have moved on their own, attracted in part by family and friends settled with government support. The transmigration program has been the largest government-sponsored voluntary resettlement scheme in the world. (p. iii)

The publication under review is a report on the transmigration programme and was commissioned by the World Bank, which has been involved in funding the project. The report discusses the implementation of the programme from 1950 to mid-1987, but concentrates on reviewing the programme during the Third Five-Year Development Plan (Repelita III) from 1979 to 1984. A programme such as this is tremendously complex and involves many aspects of government operation and human activity in general. It requires the co-ordination of migrant and relocation site selection, moving arrangements, site preparation and development, the provision of services and infrastructure, supervision of a building programme, liaison with the host communities, and so on. The report makes a comprehensive evaluation of all of these aspects

of the programme, assesses its successes and failures, and makes recommendations for the future.

The report is divided into three main sections. The preface is a two-page summary of the report. It is followed by an executive summary of twenty-eight pages. The main report has ten chapters, which include an economic analysis and a review of the administration of the programme; a discussion of World Bank involvement; an examination of the problems and benefits of the programme, which explores the impact on the receiving and sending areas, migrant welfare, and social and economic effects. The final chapter summarizes the recommendations made and future prospects of the programme. The report also includes a glossary, four maps, and nine appendices which contain numerous tables — most of them dealing with agro-economic and demographic data. This review summarizes the contents of the report and concludes by commenting on it.

Sponsored transmigrants receive government support to move to selected sites. This allows the government to select the poorest people and those from the most critically overcrowded areas. The programme is based almost entirely on smallholder agriculture of three types: mostly rice cultivation in rainfed schemes (80 per cent) or swamp reclamation areas (18 per cent), and cash crop schemes (2 per cent) which primarily involve tree crops such as oil-palm, rubber, and coconut. A decision was made to emphasize rainfed food crops as opposed to irrigated schemes or tree crops. The latter provide relatively high incomes and rates of return but are slower to yield and become self-sufficient, and would create disparities between people in the different schemes. Food crops could be established quickly and cost less, so more people could be moved, and the programme would help the country towards achieving self-sufficiency in rice production. Migrants receive a small house in a village, about 1 hectare of cleared land outside the village, and subsistence supplies for one year, or longer if necessary. Participation in the programme is voluntary but more people apply than can be included.

In the 1950s and 1960s about 5,000 families consisting of 21,000 people were moved each year. This increased to over 9,000 families consisting of 70,500 people each year in the 1970s. But in the first half of

this decade the figures jumped to over 73,000 families per year for a total of almost 300,000 people per year. In total, 2.3 million people have been moved as part of the programme (which began in 1950), of whom 64 per cent (representing 1.5 per cent of the inner island population) moved in Repelita III. This shows a tremendous increase in the latter phase of the programme. Seven times as many families were moved in the Third Five-Year Development Plan as in the Second. Overall, 65 per cent were moved to Sumatra, 18 per cent to Kalimantan, 14 per cent to Sulawesi, and 3 per cent to Irian Jaya. Initially, destinations received approximately the same proportion of migrants as their share of the population. However, settlement land in Sumatra has been virtually exhausted and now the other islands are receiving a greater proportion.

The programme cost US\$2.3 billion in Repelita III. Five per cent of these funds came from the World Bank. Understandably with a programme of this size, there have been some administrative problems. One of the major ones is the co-ordination of the various government agencies. To help overcome some of these problems, a Ministry of Transmigration was formed in 1983. Whilst this improved co-ordination, planning, and implementation, the report finds that various administrative problems remained.

The programme was to be expanded even further in the Fourth Five-Year Development Plan. Targets were being met until the budget was cut by 62 per cent in 1986, partially in response to declining oil revenues. The programme was accordingly scaled down and new settlement under the transmigration programme came to a virtual halt.

The programme is apparently responsible for out-migration from the more densely populated islands surpassing in-migration rates. For every sponsored migrant the report estimates there are 2.5 spontaneous migrants. The programme directly created over 500,000 jobs at a cost of over US\$3,500 per job. Studies of the incomes of migrants show that 20 per cent had income levels below subsistence levels and 50 per cent below the poverty line, compared with 15 per cent and 40 per cent respectively for average families from rural Java and 4 per cent and 24 per cent for average families in receiving areas. Despite this, only 16 per cent of transmigrants say their incomes are worse than before they moved. Many derive substantial portions of their income from non-

farming employment. About 10 per cent quit the programme in the first five years. Rates of return on investment costs have been low and the report recommends that rather than opening new sites, further development should be undertaken at existing sites to increase returns.

Migrants now produce about 5 per cent of Indonesia's rice harvest. Site development has meant new roads in receiving areas but many are badly maintained. Local authorities do not have the resources to upkeep the newly established infrastructure. The sites have also brought agricultural advice, education, and health services to receiving areas. The programme has created high-growth levels in towns and cities near the resettlement sites. Though this has created problems of over-utilization of existing resources, it has stimulated regional development. In order that this can be sustained and to overcome low productivity levels, the report recommends second stage development at the resettlement sites.

One problem which has resulted from the programme is disputes over compensation for land used by the transmigrants. This has sometimes created ill-feeling between transmigrants and local residents. Other problems have occasionally arisen because local people feel that they are not receiving government aid. There is also a danger that this development may threaten small ethnic groups, particularly in Irian Jaya where indigenous people may have their traditional way of life disrupted. This was probable at one point when the government announced plans to send large numbers of migrants to the area. Nevertheless, the report concludes that "while interpersonal and even interethnic conflicts do arise, they have been relatively rare, and no large-scale movement of people in modern times has been associated with less communal tension" (p. 91). In the past most of the local people were better off than the migrants and welcomed their presence for the business it brought. However, recently some are seeking parallel benefits.

The report finds that the environmental impact of the programme has been positive in Java, permitting reforestation and reducing erosion, but environmentalists have expressed concern about forest, wildlife, and conservation areas which have been compromised on the outer islands. The report says that less than 1 per cent of forested land was used for sponsored settlement and about twice as much by spontaneous migrants. It recommends that more planning be done to provide for

the needs of the latter group and greater attention be paid to monitoring the environmental impact of the programme by better managing forests and planning for the future of these areas.

Rice production in the rainfed areas is low and at the subsistence level partly because crop marketing arrangements are poor, prices are low, and agricultural advice and education is inadequate to overcome the difficult conditions of farming.

The report concludes that although economic rates of return and initial settler incomes have been low, and spontaneous migrants have not been adequately incorporated into the programme, which has led to certain social problems, the economic and social outlook of settlers is better than in Java, and the programme has aided employment generation and regional development. It recommends that (1) the rate of new settlement be slowed; (2) existing sites be improved; (3) more attention be given to environmental and social concerns; (4) more productive farming systems be utilized; (5) the needs of spontaneous migrants be accounted for; and (6) better planning be implemented. Much of this has occurred anyway because the cut in government spending on the programme resulted in a reorganization of priorities. New settlement has virtually stopped and second-stage development is being undertaken at existing sites.

The report recommends housing farmers on their farm lots rather than in villages, and diversifying agriculture to include different crops and livestock. Tree crops offer the most promise of producing a viable income for farmers but these schemes accounted for only 2 per cent of those moved in 1979-84, though since that time the value of these schemes has been recognized. The size of lots would need to be increased to make this efficiently productive. If this is done migrants may be able to produce enough surplus to contribute to the cost of migration. The report recommends that some of the existing rice production areas be converted, in spite of the high investment required.

Because of the limitations on the availability of suitable land, the programme could not proceed at its earlier pace, even if funds were available. The report recommends that a maximum of 300,000 families be moved over the next several years and strongly suggests a detailed masterplan for the future of the programme. This should include long-

term policy planning for decentralization of industry and regional development.

No land has been made available for spontaneous migrants and it is difficult for them to obtain it by themselves. Administration and co-ordination has not been as good as it should have been, and ongoing evaluation of the programme has been weak. The immediate future should emphasize labour-intensive, second-stage development.

The report was begun in 1985 and approved for release by the Indonesian Government in mid-1986. It has been updated to include figures up to June 1987 in some tables and discusses Indonesian government policy up to March 1986. It is unclear why the release of the report was delayed and not available until late 1988. As there have been many changes in the programme in the past two years it would have been interesting to have information on their impact. Without this, the report is badly outdated, though its mandate was only to examine the programme in Repelita III.

The report gives the impression of being thorough and comprehensive in examining in depth many of the aspects of this multi-faceted and complex programme. It is particularly strong in its agro-economic analysis and its treatment of the planning, administrative, and demographic aspects of the programme is quite detailed. The report also examines the sociological and environmental impact of the programme in both the sending and receiving areas, but its treatment of these issues is not as detailed. One of the reasons for this is that the report has necessarily had to rely on secondary sources for its treatment of some aspects of the programme.

The arguments of critics of the programme are examined but not in as much detail as they might have been. In making its assessment of the programme the Bank hired social scientists, but relative to its agricultural and economic analyses, the sociological component of the report is not very strong. Important issues are addressed such as the interaction between the immigrant and host communities, but not in great depth. One of the social implications is the creation of linguistic and cultural minorities in the receiving areas, but this is hardly dealt with at all. On the whole, the report gives a very favourable review of the programme compared with other literature on the subject (see, for

example, Joan Hardjono, "Transmigration: Looking to the Future", *Bulletin of Indonesian Economic Studies* XXII, no. 2 [August 1986]: 28-53).

So far relations have been good on the whole between immigrants and the host communities. However, the incomes of most of the migrants are substantially less than those of most of their more established neighbours, contributing to inequality in settlement areas, and the report warns that the boom towns which have been created may go bust if government spending suddenly dries up. In the light of the expenditure cuts, it appears that this is a strong possibility, if it has not already happened, but these problems are not assessed.

Though the report is comprehensive in addressing the many aspects of the programme, it is limited in scope in a broader sense. In recent years the programme has cost well over US\$2 billion. Each job created cost US\$3,000-5,000, which is substantially less costly than creating jobs in industry (US\$10,000-20,000 per job). The report confines itself in a strict sense to internal programme evaluation and does not attempt to consider whether or not this money may have been better spent on alternative projects which could also alleviate the population pressure on the inner islands, such as regional industrial development, for example. Since the incomes of the immigrants are so low, it is possible that other schemes could be more beneficial in the long term.

Finally, a comment on the organization and style of the report. There is considerable and unnecessary repetition in the presentation. The executive summary is twenty-eight pages long, which seems excessive and contains some repetition of material, as well as unnecessary detail. Each of the chapters contains a summary and concluding section, so by the time the reader has worked through the preface, executive summary, chapters and summaries, he or she would have read some of the same material four times. There is also a conspicuous absence of a bibliography.

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