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Chronological file - 1984

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Gloria Davis - Chronological file - 1984

**DECLASSIFIED
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To: David Donald / Derek Holmes
From: Gloria Davis
Subject: Planning and Settlement targets / Repelita III & IV

Purpose: to permit initial look at

Population and Demographic Impact

Likely areas of spontaneous migration

Employment generating effects by region

Cost implications depending on receiving areas,

farm model, mix of spontaneous and sponsored

Basic Presentation

KK to be settled by province ⁽¹⁾ in Repelita IV and V

SFSE Sites

Small Scale (ABN) or Sisipam Sites

Swampland Sites

NESIPIR Sites (not included within SFSE)

(We will add assumptions on spontaneous migration)

Data to be summarized in annex

1. GOI projected/^{or actual} settlement by province for
FY 84/85, 85/86 and beyond (if estimates exist)
2. Land clearing initiated in Repelita IV and projected
settlement dates
3. Sites identified / to be identified under:
 - a. SFSE 80, 83, 85
(your table with SFSE 80 added)
 - b. Small scale / Sisipam

OVER

⁽¹⁾ If possible, break down Irian into N coast / Merauke / Other

c. Swampland (from detailed studies and masterplan)

d. NES/PIR

implementation initiated under Republic III

projected targets Republic IV (by year and crop, if available)

4. Projected Settlement, taking into account lag between identification and settlement

TRANSMIGRATION SETTLEMENT PLANNING ADVISORY GROUP

MEMORANDUM

PROJECT DATE 1/12/84
TO GLORIA DAVIS YOUR REF
FROM DEREK HOLMES OUR REF
SUBJECT

I hope this will answer some of your questions. One person's guess may be no better than another's. My estimates are of realistic planning targets, not settlement targets which would have taken much longer to produce.

I must emphasize that this is an unofficial document from me to you, not from the Advisory Group to the World Bank. These figures have been given to neither the client nor the current Trans-V planning ^{mission,} and should be used with caution; although realistic, this is only one man's rapid estimate.

If you wish to talk about it, I shall be at home from 3 PM to-day, you can ring me at 767571.

Derek Holmes
—

PLANNING ACTIVITIES DURING REPELITA IV (KK)

PROVINCE	TRANS III	ABN ¹ 1983/84, 84/85 (±224 SPs)	ABN ² 1985-89	TRANS-V			TOTAL
				"EASY SITES"	SITES WITH LAND USE CONSTRAINT	SITES WITH FORESTRY CONSTRAINT	
ACEH	-	2000	3000	-	-	-	5000
WEST SUMATRA North Sum ²	-	1800	3000	-	-	-	4800
RIAU	26,000	3600	7000	-	?	-	36,600
JAMBI	2,000	1000	1000	-	?	-	4,000
SOUTH SUMATRA	14,500	1800	3000	-	?	-	19,300
BENGGULU	1,500	-	500	-	-	-	2000
LAMPUNG	-	2000	1000	-	-	-	3,000
W. KALIMANTAN	38,500	3000	8000	14,000	52,000	15,000	130,500
C. KALIMANTAN	12,500	5000	10,000	(36,000) ³	40,000	40,000	143,500
E. KALIMANTAN	22,000	2000	8,000	43,000	10,000	20,000	105,000
S. KALIMANTAN	-	700	1,000	-	-	-	1700
	73000	1000	27000	93,000	102,000	95,000	
N. SULAWESI	-	500	-	-	-	-	500
C. SULAWESI	-	-	1000	-	-	-	1000
SE. SULAWESI	-	500	1000	-	-	-	1500
MALUKU	-	1200	2000	-	-	-	3200
IRIAN JAYA	82,000	6000	12,000	45,000 ²	- ?	- ?	145,000
	199,000	31,100	61,500	138,000	102,000	75,000	606,600

1. ABN estimates made from current list of sites studied under local budget
2. This column is pure guesswork
3. The majority of these sites in Central Kalimantan lie on either very infertile terrace soils or on marginal wetland.

FOOTNOTES

1. The table gives our best estimate of realistic planning targets during Repelita IV. Our most optimistic estimate for Trans-III is 200,000 kk, and this assumes that all 10 Consultants complete their contractual obligations in numbers of SKPs. It also assumes that sites not released because of their forest functional classification will be released (probably some 20 in total).
2. Under Trans-V section of the table, we assume a capacity of 1000 kk per site. This is based on an average capacity of 1300 kk per successful site, and a rejection rate of 30% of Phase II sites.
3. The ABN columns (sites studied under GOI budget) are largely guesswork. We have a list of current sites, but mostly we are not kept informed of activities, and the second ABN column is based on a continuation at the same level as now.
4. The Trans-V columns are based on the present Phase II SKP size of 20 to 30,000 ha. In fact the RePPPProt mapping (Phase I by LRDC) may allow a reduction in SKP size to about 15,000 ha with the same success rate, a 30% increase in numbers of sites.
5. Non-standard models other than tree crops are not included in the table (eg sago, fish, limestone, agro-forestry, spontaneous transmigration etc), but we do not foresee these substantially increasing the totals in the near future. By far the most important "non-standard model" is the replacement of shifting cultivation (and jungle rubber) by more intensive utilization.
6. Current practice is greatly narrowing the difference between tree crop and standard dryland arable models. The latter requires 1.0 ha for first stage arable, and the tree model requires 0.75 ha. Even in the standard model, second stage development is invariably a tree crop, and if the area of arable land is not a limitation, then the capacity is generally increased to fill it. The main difference is that the tree crop model has more guarantee of the tree crops being developed.
7. All 32 successful Phase II sites so far under Trans-III are listed as standard model (80 sites have been completed, 11 are suitable for KKLK only, and 9 have forestry constraints but are suitable otherwise). We would like to see more of the remaining sites planned as "tree crop model", and we would expect the majority of Trans-V sites to be this model.

8. Forestry restrictions apply to 8 sites so far, and the gross may be 20 out of the Phase II programme of 228. So far we have had very little success in obtaining release from the forestry department.

We estimate 75 of the proposed 315 sites for Trans-V will have forestry restrictions. As forest status boundaries are less inflexible in Irian Jaya, this means that 75 out of the 160 sites in Kalimantan that are still forested would not be available, unless there is a major policy change. (The proportion would be higher if we had not had the fires in East Kalimantan in 1982/83).

9. So far under Trans-III, 18 sites are rejected, or capacity is reduced to KKLK level only, by present land use (shifting cultivation in Kalimantan, jungle rubber in Sumatra). We may expect a gross total of about 38, or 17% of Trans-III sites.

Under traditional use and unimproved techniques, existing farmers require to rotate over 10 to 20 ha, and to supplement their subsistence from other natural resources (rattan, fish, hunting, timber etc). The injection of transmigrants into this pattern will only intensify the land hunger, and hence illegal forest clearance, ethnic tensions etc. Site capacity in areas of present use could be increased four-fold or more if it was possible to resettle all the existing farmers into the transmigration scheme.

Up to 100 sites from the 315 currently proposed for Trans-V have extensive shifting cultivation. Either these sites are dropped (thus reducing Trans-V to 215), or they are included and produce a gross capacity of under 40,000 kk. Alternatively, the government enforces its proposal to eliminate shifting cultivation, with a suitable programme of resettlement, integration and intensification, and these sites produce a capacity of some 120,000 kk (transmigrant).

No Sumatran sites are included in the Trans-V proposal at present. There is probably no more forested land there that is both suitable and available, at least not on SFSE scale. Jungle rubber covers huge areas, and a rubber farmer's resettlement programme would likewise release land for a significant number of transmigrants. But no viable programme has been proposed so far, and we do not know the gross area of such land.

10. Thus the Trans-V programme of 315 sites is in serious danger of being reduced to only 140 sites, unless the problems of shifting cultivation and forestry restrictions can be resolved. Probably a compromise solution will 'happen', with about 220 sites being studied (similar to Trans-III), with the inclusion of sites under Normal Production Forest, and of those where shifting cultivation is less extreme. This carries the danger of a continued high rejection rate, and is an unsatisfactory solution as the major issues are deferred.

A nation-wide survey of forest resources and rationalization of status boundaries is required, as these are often grossly inappropriate, and the aims of the Transmigration and Forestry Departments are clearly incompatible (through a number of misconceptions).

11. Thus the gross total of 600,000 kk planned during Repelita IV could be reduced by:

30,000 (exclusion of extremely marginal land in Central Kalimantan);

100,000 if no land use rationalization programme is introduced;

75,000 if forestry restrictions are not relaxed;

leaving a net total of 400,000 kk planned from Trans-III and V and GOI budget.

12. Solution to these problems would in fact increase the Trans-III total by 60,000. Hopefully also, accurate Phase I mapping will give a more optimistic picture to Trans-V.

13. Trans-V is likely to use up nearly all our stock of sites in the conventional sense. From this base, the Repelita V target of 1,000,000 kk would be a non-starter. In practice, there is likely to be a carry-over of 250,000 from Repelita IV, intensification programmes in areas of low-use should release further land (after allowances for natural population growth), there will be an expansion in various non-standard models, and the possibility may exist for more capital-intensive schemes, both in wetland development, in utilization of inferior soils, and in estate management of tree crops in hilly terrain.

Those concluding words of yours Monty are ones that we should apply to you -- This is the last year that you plan to chair this meeting -- I say that purposely because all kinds of things always happen to plans but -- you're not going to disappear from the Bank but it is still an appropriate opportunity to point out that the congratulations which are certainly due to the agricultural staff which is here, are also very much due to you and the leadership you have exercised and your contribution you have made both in the implementation of the long list of accomplishments you've gone through and in the intellectual thinking through of where agriculture ought to go in the Bank and how we ought to treat it so -- not to say goodbye but to express on behalf of all of us our thanks to you for what you have done.

I hope the symposium this week has been more fruitful than the meeting which has been going on next door, on IDA. I think it could hardly have been less so. ~~The~~ We have very little time, and let me be very brief -- since Monty has covered many things in agriculture; and, what he ended up with I think is a very good starting point. One that is not particularly new, namely that we face a very constrained resource situation, when I say we -- not just the World Bank but the developing countries, the world in general. There is no doubt that the last five years, indeed ~~the~~ longer than that perhaps for some countries, have been years of increasing difficulties. This is true of countries -- developing countries, it's true of industrialized countries. In the Bank we have developed a tool to help deal with that structural adjustment lending -- structural adjustment is kind of a cleaned up term which means very many painful and difficult things in different countries. The structural adjustment which is taking place, in fact, means in many places a reduction in income levels, certainly reductions in expectations about future growth -- it means reductions in real wages, it means shifts in industry as comparative advantage shifts, it means a period of relatively slow growth since the world has been used to a period of very rapid growth ever since the second world war, it means major changes in the

demographic structure as dependency ratios in all of the industrialized countries are increasing; it means major pressures on budgets and it means cuts -- which are always very difficult -- it poses difficult choices, cuts in social expenditures, in investments in human resource development; and, as you go through this list of things, it is not a list ~~that~~ ^{which} is unique to the developing countries. Unfortunately,

it is a world wide phenomenon; it's an adjustment process which is by no means complete, an adjustment process which I think no one can see through very clearly because its a very dynamic process and it is a process which affects the political decision making everywhere -- makes nations and people turn inwards, makes them less confident of the future, makes them less willing to be part of an international framework, an international system where everyone ought to be doing their share regardless of the immediate and direct and quantifiable benefit to either the individual or the nation. I may sound a bit excessivley gloomy but I think it is true that this adjustment process -- in many places has been misunderstood, has been downplayed, has been seen as a short term phenomenon and I don't think it is any of those things. It is going to be with us ~~in~~ ^{and} its manifestations for many years to come. And of course the Bank itself lives in that environment and it of course affects the resources we will have available. The IDA negotiations have not gone well -- we will settle tomorrow morning on a 9 billion IDA with some hope that there will be voluntary supplementary contributions thereafter, but only a hope -- no committments and certainly no certainty. This will mean very difficult choices in our lending program, it will affect the low income countries -- not only directly in terms of what we can contribute to them, but it will affect, I am sure, their willingness to continue to make policy choices in the agricultural area and elsewhere which require effective support, including financial support, from the outside world and the job which is always difficult will be even more difficult to find ways and means to get them to deal with a further constriction on their resource availability. For the Bank as a whole, we expect in the years to come to continue to have an increase in the

overall supply of loanable resources and on the Bank side itself I think at the moment there is no serious constraint on capital availability and the basic problem on that resource side we're going to face is how we can find new ways and means to channel increasing resources to low income countries. On the budget side, we will also face a very constrained environment, everybody says that every year at this time so I don't want to break tradition -- but it too is getting worse. We have now developed a longer term budget policy framework -- we are doing for the first time ever, I think a five year planning exercise on administrative expenses and it shows a very healthy demand far in excess of what our shareholders are prepared to see us commit. We have proposed a budget frame where at the end of the five year period our administrative expenses will grow on the order of 2% per year but as we look at the near term -- this coming year FY85, and the year thereafter, it is very clear that the initiatives we have in place, the expansion of the lending program, modest though it is, that we hope for, the increased efforts at aid coordination and just generally trying to deal with the increasing complexity of project design and modern economies in an increasingly complex world, that the demand for additional resources eats up more than what our Board is prepared to see by way of ~~xxx~~ growth in the administrative expenses. We have in the past several years grown more rapidly in real terms than our lending program and I must say I am very much in agreement myself with the proposition that ought not to be the case. It seems to me when administrative expenditures rise faster than product, it is both a sign of senility and of ultimate death of an institution. We've got to be very careful that we don't, in fact, allow that to happen. When I say product I obviously don't mean just the number of loans or the number of dollars we put out, but product more broadly defined, but it has got to ~~xxx~~ stay in relationship to administrative costs and this puts great emphasis internally on flexible organization, on flexible administration, on innovation, and doing things in a less cumbersome way and I'm sure everyone of us here can enumerate at least ten examples right off the top of his or her

head as to what those ten ways would be and I don't think they're all the same. So there's lots of scope. We want to be sure that in that constraint situation, however, we don't let resource constraint cut into the quality of our work, the imagination, the incentives we provide to our staff, or the services we render to our member countries. And while clearly it can't be true forever, that there are possibilities for productivity improvement I think we don't immediately face the problem of a trade off between those two. ^{PP} Let me say a few words about the future of the Bank on the substantive side and also something about agriculture. Because the world is so different and because the Bank is changing -- has changed -- will continue to change in response to the needs of its borrowers. We have undertaken, as many of you may know, a study of the role of the Bank over the next decade or so. I don't expect anything revolutionary to come out of that, principally because institutions are very hard put to be revolutionary about themselves, but also because I think we have done a lot of things in the past few years which move in the direction in which I think we need to continue to move, perhaps more vigorously and rapidly than we have. It is clear, as Monty earlier indicated, that there are increasing differences between our member countries. The problems of Africa are severe and we don't need to go over them again, but Africa is really a very separate set of issues. It combines very low levels of income with an absence of manpower and management capacity which, at least as a region obviously not in each and every country, makes it unique. And by contrast we have at the other end, in Latin America and the Middle East and East Asia, countries which have grown in management capacity and the availability of skills which can and do use today the most modern management techniques who have investments at the outer edges of technology and their requirements for assistance are very different. And so one basic facet is that we need to organize ourselves better intellectually and perhaps structurally, to recognize those differences and to

provide these different kinds of services. Secondly, we have in the last several years moved into ~~the~~ policy areas much more vigorously than we had any time in the past. And I think that's going to stay with us. Now sometimes people are a bit concerned - technical staff in particular -- that if you do too many structural adjustment loans or too many sector loans -- what am I goind to do for a living? The structural adjustment loans and the policy dialogue and the sector lending and all these other tools that we have developed which go under different names, they all have their foundation in a concern about projects, about implementation, about the sensibility of investment, about how you make use of existing assets, and that is what we are all about. What label we stick on it at the end and just who is the guy who signs the cover memo to the loan committee or who is the guy who presents it at the Board table is not what's important. That we need to continue to deal more intensively with policy issues is clear, because if the adjustment process continues, as I think it will, if the resource constraints are as severe as we all know they are, the emphasis in every developing country is going to be on a more efficient use of existing resources. And that means we've got to be flexible, We can't, and we do not want to say that we ~~do~~ only do projectys as narrowly defined even if these projects are put in ~~xx~~ terms of a discussion of a policy framework. We have to have a range of tools. We have to find that kind of lending format which can most effectively help a member country to overcome current difficulties and make most efficient use of existing resources, and use our influence to make sure that the investable resources go to the highest proirity areas. This is going to mean a more permeable set of walls around the little empires we all run and all live in -- it means more effective collaboration, it means more imagination, and as I said, less turf protection. A third element related to what I've just said, is that we need to get rid of the kind of little boxes we have in our heads about the terminology

we've lived with so long, project, non-project. That's an anachronism and was an anachronism in the 60s, it was a terrible anachronism in the 70s and for sure we don't want to live with it in the 80s anymore. X What the Bank is engaged in is operations -- operations can consist of many different things -- they have as their primary concern, as I said before, the efficient use of resources, and what you call them is something that we oughtn't to let bind ourselves. We have, as you know, a limit of 10% lending for non-project and if you look at that definition, at what that means, it's changed over the years, it's not relevant anymore. We have a manual statement which defines sector lending and that's not relevant anymore because if you look at what we do, if you look at what's written on paper, the gap is very large and people oughtn't to live too long with a growing gap between their official rhetoric and their actual practice. When we lend for agricultural credit so a farmer can go out and buy fertilizer everybody know that's a project and a good thing. And when we lend for an export development fund so that some private industrial entrepreneur can go out and buy his raw material and that's non-project lending and that's a bad thing. In these kinds of terminological differences, we have outgrown and we need to be sure that we don't carry them in our own minds because we've got a long educational effort ahead to persuade others. Now many of the things that we need to struggle with in the years ahead, I think also need to be of concern to you in agriculture. Monty has talked about our achievements, and indeed they are many and indeed we can and should be proud of them. But it is also true that the problems ~~that~~ ^{which} still lie ahead are tremendous; not only in the narrow sense of how many tons of grain we are going to produce or the world is going to produce and how that's going to be get shipped, but to recognize that agriculture everywhere is changing and that we need to move away from too rigid an adherence of the past that the lessons of the past are not going to be a very good guide for the future except in a

very general sense -- that whenever we overdesign projects, they fail, whenever we are rigid about the design we end up with a not very good project, whenever we don't try to keep costs down to the maximum extent feasible we live to regret it or at least the country lives to regret it. That when we ignore the market and try to implemenent our programs through essentially public sector and governmental approaches, and if we're not careful that those institutions have the managerial capacity and the financial discipline, they and we turn out to be sorry. Agriculture in many countries is in the process of modernization -- we need to be more concerned than ever before about its contribution to exports which are crucial to all developing countries. We need to be much more concerned with the link of our agricultural production activities to agro-industries and their development -- and as Monty knows it's a favorite of mine -- to chastise him about our inadequate attention to marketing, which I continue to believe is and remains a serious problem and we need to recognize that in many of the middle income countries -- in countries like India, China -- our interest in agriculture is going to become more diverse, it's going to move away from a relatively standard patterns of the past and we need to equip ourselves to do that intellectually, analytically and in terms of staffing. And then we need to begin to deal more effectively with the problems of agriculture in Africa. It may be true that Africa has limited absorptive capacity and that the preconditions for a rapid growth in agriculture are not there, but then that is our challenge, that's not an excuse. We, I think it is fair to say, among all of our achievements have failed in Africa. We have not fully understood the problems, we have not identified the priorities, we have not designed our projects to fit not only the agro-climatic conditions of Africa but the social and cultural and political frameworks of Africa. And this is not only evidenced by the tremendous

percentage of poor projects in the agricultural portfolio, but is evidenced by the fact that we and everybody else, at the moment is despondent about what can be done in agriculture in Africa. And certainly I don't have the solutions. It would be nice if somebody did, but some of the elements of it are clear, we need to do very much more about the basic development of institutions, more research -- it has taken us a long time to recognize that research in Africa is important.

✕ We need to build up more institutions in the agriculture sector -- we need to work very much more at the simple approaches to extension -- some may think that T&V is too simple-minded but I would like to see something better before we snicker a lot about the present. The designs of agricultural projects in Africa have been excessive, they're over intellectualized they are not suitable to the implementation capacity of many of those countries -- and that's got to change. And it's all going to be very frustrating because sometimes the availability of solutions is going to outrun the ability of the institutions to implement them. Time and time again we're drawn into ~~an~~ alliance with institutions that are weak and that is not going to be professionally very satisfactory. We've got to be very conscious of this weakness, we've got to minimize our reliance on institutions which cannot perform. There's very little of a private sector in many African countries, and that's got to be nurtured -- it's not a simple-minded question of let's not get the government to do it, let's get the private sector to do it. In most ~~cases~~ ^{places} private sector doesn't exist, or is very limited so that takes nurturing and how we do that is a question we have not very often addressed and we may not be very good at. I hope that's wrong. Well these are, I think, two sets of different but important intellectual challenges ahead of us. In terms of human misery, alleviation of poverty and equity considerations the African one is the ~~most~~ most difficult. It's the one in which we ought to have a special responsibility for making a special contribution and a special effort. The requirements for our support

in the middle income countries, of course, is also very great and the challenge there is a very different one -- it's going to require us to look at different aspects of agriculture. In that area we're not the only ones but nonetheless our roll can be very important. And the two together -- those two sets of challenges -- I think are going to keep us very busy. They are challenges which depend only to a limited extent on the amount of loanable funds we have. As everybody knows money isn't everything and in some cases money is the least important of the contributions we can make. That we haven't got a large IDA is deplorable but it oughtn't to stand in the way of dealing with these issues and many others that are in your mind and that the symposium threw up which lie ahead. We have alot to be proud of but if we are going to continue to be proud of ourselves in the future we've got to be sure that we stay on top of the issues and that those issues are the ones that are most ~~impx~~important to our member countries so that we can serve them as effectively in the future as we have in the past.

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Letter No. 18

January 27, 1984

Mr. Attila Karaosmanoglu
Vice President
East Asia and Pacific Region
The World Bank
1818H Street, N.W.
Washington, D.C.

CONFIDENTIAL

RC ✓
LJ (color)
DM (color)

Dear Attila:

I decided to write you a short note on an emerging political issue which may have implications for our activities in the field of transmigration in the next year or two. In recent months there have been public expressions of concern in Australia about the prospect of large-scale transmigration programs in Irian Jaya. The source of the concerns appears to be various elements of the Australian Labor Party, together with other groups who previously have been very critical of the Indonesian Government's handling of the East Timor problem. According to some of my Australian friends, the latter group in particular, realizing they are faced with a fait accompli in East Timor, may increasingly shift their attention to the impact of official transmigration programs in Irian Jaya. There seem to be two main themes - neither of which is new - in the emerging debate (if it can be called a debate at this stage). First is spectre of the "Javanization" of Melanesian culture in Irian Jaya, and second is the continuing underlying suspicion about Indonesia's long-term territorial ambitions.

From my discussions with the Australian Ambassador and his staff it would appear that the Labor Government in Australia has not yet taken a formal position on the matter of transmigration, and its effects, in Irian Jaya. There has been an expression of concern by middle level embassy officials in recent discussions with Indonesian officials in the Foreign Affairs Ministry. But as one Australian Embassy official puts it, "We have not taken a position that would put us in a corner on this matter." I understand that the Australian Ambassador plans to prepare a brief paper on the subject for Bill Hayden (Australian Foreign Affairs Minister) shortly. I don't know yet what position the Australian Ambassador will take, but it is my impression that he is concerned that Australia avoids creating tensions with the Indonesian Government on this matter. We will just have to wait and see whether the Labor Government wants to make a public issue of the matter.

In the meantime, two other governments are known to have some worries about transmigration in Irian Jaya. One is the Dutch Government,

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January 27, 1984

whose Foreign Minister expressed some concerns on this subject during his discussions here with the Indonesian Foreign Minister earlier this month. I understand that the latter reassured him, saying that Indonesia would be sensitive to these concerns. The other is the Government of Papua New Guinea, whose main worry appears to relate to the security of their border in Irian Jaya and suspicions about Indonesia's longer-term ambitions.

At this stage we can only speculate on the future course of debate on this matter in Australia, Papua New Guinea and the Netherlands. If the Indonesian Government goes ahead with its quite ambitious plans for transmigration, NES and swamp development schemes in Irian Jaya - as it almost certainly will - we cannot rule out the possibility of some friction between these three governments and Indonesia. If the World Bank is closely associated with these programs in Irian Jaya, we may find we come under attack from some quarters in these three countries.

I simply want to alert you to these issues at this time. They are not cause for alarm or for reassessment of our own activities since it is by no means certain that Indonesia's critics in these three countries will succeed in escalating the debate beyond the present low-key official exchanges with the Indonesian Government. I do not recommend any particular action on our part, beyond being conscious of these strands in the domestic scene of the three countries concerned. In the meantime we should continue with our project activities as planned. A little later in the year, perhaps during your visit in April, we can take stock and see whether we need to indicate to the Indonesian Government that we are aware of the political sensitivity of these programs in Irian Jaya and seek clear understandings on our role there.

With best wishes,

Yours sincerely,

R. J. Cheetham

Russell J. Cheetham
Director
Resident Staff in Indonesia

cc: Messrs. Kirmani, Jaycox, Golan, Altaf Hussain, Mrs. Hamilton
Mullan/Jeurling o/r, Fox/Walden o/r.

OFFICE MEMORANDUM

DATE March 14, 1984

TO Mr. M. Altaf Hussain, Chief, AEPA4

FROM Mark E. Cackler, AEPA4 *MEC*

EXTENSION 76262

SUBJECT INDONESIA - SRDP II
BRI - Executing vs. Channeling Bank

1. Attached is the report on the role of BRI in SRDP II requested by Messrs. Golan and Cheetham. In December 1983 the SRDP II appraisal mission recommended that BRI should change from being an executing bank as in SRDP I to being a channeling bank for PMU rubber programs (SRDP and PRPTE). Because of the controversy over this issue the RVP directed the mission to return to Indonesia, reexamine the data and try to come up with a means of using BRI as an executing bank. The findings of the follow-up mission are summarized below.
2. There are three good reasons why BRI should be an executing bank (para 3 of the report).
 - (a) In principle, it is good for "banks to act like banks".
 - (b) It is desirable for Indonesia to develop credit institutions lending on a commercial basis in rural areas.
 - (c) Especially now, in a time of GOI resource constraints, it is important to mobilize non-government resources for development projects like SRDP II.
3. On the other hand, there are five good reasons why BRI should be a channeling bank:
 - (a) Using BRI as an executing bank under SRDP I is not working (paras. 5-7 of the report).
 - (b) Financing PMU smallholder rubber on a commercial credit basis is fundamentally unsound given the crop (rubber) and the type of program (PMU) (para. 19 of the report).
 - (c) The incentives required to induce BRI to be an executing bank are unlikely to be acceptable to BRI, GOI or the World Bank (paras. 13-19 of the report).
 - (d) BRI will not have the resources to prudently finance all the tree crop special programs during Repelita IV, and the SRDP, SCDP and PRPTE are clearly the most "unbankable" of the tree crop special programs (paras. 20-25 of the report).

- (e) Reason (c) for making BRI an executing bank is fallacious. GOI would not save significant resources by making BRI an executing bank during Repelita IV. In fact, it might cost GOI more if BRI is an executing bank (paras. 26-29 of the report).

4. On February 18, 1983, BRI submitted a formal proposal to MOF on the incentives required to be an executing bank. Among other things, BRI proposed a 13.02% spread over BRI's cost of funds. Although there may be some small disputes over individual components of the spread, MOF staff reviewed them and found them acceptable for discussion purposes. After MOF's analysis of BRI's figures, the Director General for Internal Monetary Affairs (DGIMA) concluded that the interest rate subsidies from MOF to BRI thereby required would be unacceptable to GOI. Therefore, he directed his staff to prepare a recommendation to the Minister of Finance that an exception be made to the general rule that BRI should be an executing bank, and that BRI should be a channeling bank for SRDP II and PRPTE rubber. Subsequently, DGIMA reported to the Director of RSI that he would delay submitting the recommendation to the Minister until the World Bank completes its internal discussions and can make a recommendation to the Ministry of Finance.

5. Given the findings contained in the report, the mission reaffirms its recommendation that BRI be a channeling bank for SRDP II and PRPTE rubber.

cc: Messrs. Golan (AEP), Cheetham, Walden (RSI), Gould (AEPID)
Mss. Hamilton (AEADC), Davis (AEPA4)

MCackler:shp

OFFICE MEMORANDUM

DATE March 14, 1984

TO Mr. M. Altaf Hussain, Chief, AEPA4

FROM Mark E. Cackler, AEPA4 *MEC*

EXTENSION 76262

SUBJECT INDONESIA - SRDP II
BRI - Executing vs. Channeling Bank

1. Attached is the report on the role of BRI in SRDP II requested by Messrs. Golan and Cheetham. In December 1983 the SRDP II appraisal mission recommended that BRI should change from being an executing bank as in SRDP I to being a channeling bank for PMU rubber programs (SRDP and PRPTE). Because of the controversy over this issue the RVP directed the mission to return to Indonesia, reexamine the data and try to come up with a means of using BRI as an executing bank. The findings of the follow-up mission are summarized below.
2. There are three good reasons why BRI should be an executing bank (para 3 of the report).
 - (a) In principle, it is good for "banks to act like banks".
 - (b) It is desirable for Indonesia to develop credit institutions lending on a commercial basis in rural areas.
 - (c) Especially now, in a time of GOI resource constraints, it is important to mobilize non-government resources for development projects like SRDP II.
3. On the other hand, there are five good reasons why BRI should be a channeling bank:
 - (a) Using BRI as an executing bank under SRDP I is not working (paras. 5-7 of the report).
 - (b) Financing PMU smallholder rubber on a commercial credit basis is fundamentally unsound given the crop (rubber) and the type of program (PMU) (para. 19 of the report).
 - (c) The incentives required to induce BRI to be an executing bank are unlikely to be acceptable to BRI, GOI or the World Bank (paras. 13-19 of the report).
 - (d) BRI will not have the resources to prudently finance all the tree crop special programs during Repelita IV, and the SRDP, SCDP and PRPTE are clearly the most "unbankable" of the tree crop special programs (paras. 20-25 of the report).

- (e) Reason (c) for making BRI an executing bank is fallacious. GOI would not save significant resources by making BRI an executing bank during Repelita IV. In fact, it might cost GOI more if BRI is an executing bank (paras. 26-29 of the report).

4. On February 18, 1983, BRI submitted a formal proposal to MOF on the incentives required to be an executing bank. Among other things, BRI proposed a 13.02% spread over BRI's cost of funds. Although there may be some small disputes over individual components of the spread, MOF staff reviewed them and found them acceptable for discussion purposes. After MOF's analysis of BRI's figures, the Director General for Internal Monetary Affairs (DGIMA) concluded that the interest rate subsidies from MOF to BRI thereby required would be unacceptable to GOI. Therefore, he directed his staff to prepare a recommendation to the Minister of Finance that an exception be made to the general rule that BRI should be an executing bank, and that BRI should be a channeling bank for SRDP II and PRPTE rubber. Subsequently, DGIMA reported to the Director of RSI that he would delay submitting the recommendation to the Minister until the World Bank completes its internal discussions and can make a recommendation to the Ministry of Finance.

5. Given the findings contained in the report, the mission reaffirms its recommendation that BRI be a channeling bank for SRDP II and PRPTE rubber.

cc: Messrs. Golan (AEP), Cheetham, Walden (RSI), Gould (AEPID)
 Mss. Hamilton (AEADC), Davis (AEPA4)

MCackler:shp

INDONESIA - SRDP II
BRI - Executing vs. Channeling Bank

Overview

1. The proposed financing arrangements for SRDP II continue to be controversial. Many of the outstanding issues can only be settled when a fundamental question is answered: Should BRI be an executing or a channeling bank? This paper describes the two alternatives, their implications and the status of the issue within GOI and the Bank. The paper concludes with the recommendation that BRI should be a channeling bank for SRDP II and PRPTE rubber, which are the smallholder rubber re-planting programs using the PMU approach. The paper assumes that:

- (a) The World Bank will continue to support the PMU approach for smallholder rubber planting.
- (b) The use of a credit system would be maintained.
- (c) BRI is the only institution capable of managing the proposed credit scheme in the project areas.

Definitions 1/

2. Basically, the term executing bank means acting as a "real bank". As an executing bank BRI would mobilize some of its own resources to finance at least part of the credit component of a special program like SRDP II. In addition, BRI should cover its administrative costs, default risk and profit from the spread charged over BRI's cost of funds. And, like a "real bank", BRI would bear at least part of the risk of default.

3. As a channeling bank, BRI would simply play a bookkeeping and collecting function. Project financing would be provided exclusively by MOF through the budget and international lenders like the World Bank. Under the proposed SRDP II project, funds would be released by MOF directly to the project unit account at BRI. During the implementation period BRI would keep records of the cash and physical inputs the smallholders receive. During the repayment period BRI would collect and record the smallholder payments on behalf of MOF. For these bookkeeping and collection activities BRI would receive a fee from MOF. Attachment 2 presents the two alternatives as proposed for SRDP II.

1/

See Attachment 1 for explanation of acronyms.

History

4. Under SRDP I, PRPTE, SCDP and PIR, BRI acts as an executing bank. Under NES projects BRI has acted as a channeling bank. Recently, the World Bank has advised GOI to use BRI as an executing bank whenever appropriate for the following reasons:

- (a) In principle, it is good for "banks to act like banks".
- (b) It is desirable for Indonesia to develop credit institutions lending on a commercial basis in rural areas.
- (c) Especially now, in a time of GOI resource constraints, it is important to mobilize non-government resources for development projects like SRDP II.

The Experience of SRDP I

5. Under SRDP I BRI has failed to carry out its role as an executing bank. First, disbursements by BRI to the project unit are two years behind. This may significantly affect the final year of project implementation in 1984/85. Specifically, because of these delays in the release of funds by BRI (and also because of delays in the release of non-credit funds by MOF), the 1984/85 planting program, representing 14,000 ha or 30% of the entire project, may be cancelled. Second, BRI is not converting smallholder loans at the three-year point.^{2/} This may delay or terminate maintenance of smallholder plantings under the project, and, if the loans are never converted, preclude any cost recovery from the "unconverted" smallholders. Current estimates are that BRI may refuse to convert up to 60% of SRDP I smallholders.

6. There are several reasons suggested for BRI's poor performance under SRDP I:

- (a) Administrative problems such as poor preparation of documentation by the project unit.
- (b) A specific unwillingness on the part of BRI to participate in SRDP I because MOF is itself behind in its payment of interest subsidies to BRI.
- (c) A general unwillingness on the part of BRI to participate because it perceives its role in SRDP I as not in its interest.
- (d) (For delays in loan conversion only.) Delays by Agraria in surveying and documenting individual smallholder claims to the areas established by SRDP I.

^{2/} BRI technically lends to the Ministry of Agriculture (DGE) at the start of field development. At the end of three years, BRI is supposed to convert the large loan to DGE to small individual loans to the smallholders.

7. Each of these reasons may have some merit and Attachment 3 discusses means to overcome reasons (a), (b) and (d). However, the appraisal mission concludes that the dominant reason is (c), that BRI simply perceives SRDP I as not in its interest and is therefore deliberately minimizing its participation. The mission further concludes that BRI's perception and behaviour are sound.

Options

8. The options are few:

- (a) Keep BRI as an executing bank, but with significant changes.
- (b) Make BRI a channeling bank.
- (c) Use some other institution as a financial intermediary.
- (d) Eliminate the credit component, and either give away inputs or sell them for cash.

9. Options (c) and (d) have been discussed at length and rejected by the mission. BRI is the only bank with an extensive network of rural branches and there are no other financial intermediaries in the project areas capable of handling a credit scheme. Using the project unit itself as a credit conduit was considered and explicitly rejected. In addition to potential legal problems under Indonesian law, the mission considered it fundamentally undesirable for the agency responsible for implementation and extension to also be responsible for handling and collecting money from project participants. Elimination of the credit component entirely was also rejected because: (a) if replaced by a grant it would be less replicable because of reduced cost recovery, as well as being even less equitable for non-participating smallholders; and (b) if replaced by cash sales of inputs it would restrict participation only to richer farmers not in the target group.^{3/} Finally, there are non-cost recovery reasons to want some sort of credit system, such as to promote increased use of formal credit channels in rural areas.

10. Given the two remaining options (using BRI as either an executing bank or a channeling bank) the mission returned from appraisal in December 1983 concluding that any scheme which used BRI as an executing bank was likely to be unacceptable to either BRI, GOI or the World Bank. Therefore, the mission recommended that BRI be a channeling bank. The argument was three-pronged:

- (a) MOF would not likely agree to the incentives required (such as a sufficient spread) to make it worthwhile for BRI to be an executing bank, without resorting to hidden subsidies like on-lending the IBRD portion at 0% interest.

^{3/} Note, however, that a pilot program of 20,000 ha, or 20% of the total proposed SRDP II area, has been included under SRDP II which would provide inputs on a non-credit, cash sale basis. If successful this method of smallholder rubber planting could become relatively more important in the future.

- (b) Even if an adequate set of incentives could be provided, BRI's expected resource position during Repelita IV would make it imprudent to finance some, if not all, of the tree crop special programs during Repelita IV. And, if BRI is given a choice, the SRDP and PRPTE programs would be among the first to go due to the nature of the crop (rubber) and its method of establishment (PMU).
- (c) The relatively small amount of money mobilized by BRI during Repelita IV would be more or less offset by the additional payments from MOF to BRI to induce BRI to be an executing bank. Therefore, using BRI as an executing bank would not take pressure off GOI during a time of government resource constraints.

11. The position of the mission was accepted by AEP (at headquarters and at RSI) and AEADC within the Bank, by DGE, and at a working level by BRI and BI. It was not accepted by the Director AEA, OPS, the Director of RSI and some Program staff at RSI, nor at a working level by MOF or BAPPENAS. Given this split, the RVP directed the mission to return to Indonesia, reexamine the data, and try to come up with a means of using BRI as an executing bank. Of particular importance was the fact that, in addition to being consistent with our general policy advice (para 3), it was also the initial preference of MOF and BAPPENAS.

12. As described in para 6, there are four reasons suggested for BRI's poor performance under SRDP I. All parties generally agree that three of them are relatively unimportant (improper documentation by the project unit; delays in interest subsidy payments from MOF to BRI; and delays by Agraria in surveying the land). However, there are steps which could help solve these problems and they are described in Attachment 3. The rest of this paper will focus on the fundamental problem, which is that BRI does not perceive participation in SRDP to be in its interest. The paper will look at:

- (a) What incentives BRI would require to be an executing bank.
- (b) BRI's ability to mobilize resources for PMU rubber planting programs during Repelita IV.
- (c) The implication of BRI being an executing bank on GOI resources.

Incentives

13. The most visible incentive is the spread BRI would receive over its cost of funds. In a submission to MOF February 18, 1983, BRI calculated its required spread as 13.02%. Among other things, this proposal assumed that IBRD funds would be on-lent at 0% interest and BRI would only bear 25% of the risk on principal. The reasons for this relatively high spread estimate are the high administrative costs associated with BRI's lending (small, widely-scattered village branches handling small accounts) and a higher than average risk of default for PMU planted rubber (long gestation period, 20-year loans, no marketing

control over the produce). Although there may be some small disputes over individual components of the spread, MOF staff have reviewed them and have found them acceptable for discussion purposes. The mission feels that BRI's calculation of 13.02% is on the high side, and that 10% would be closer to the mark (if BRI bears only 25% of the risk on principal). On the other hand, the World Bank has been encouraging GOI to stop free (as in agricultural programs) or highly subsidized (as in KIK/KMKP) GOI insurance on BRI loans. The mission estimates that if BRI bore 100% of the risk itself, or paid an insurance premium to cover the expected value of the defaults, then the spread would be at least 15.5% (see Attachment 4 for derivation of spread estimates). Even if the mission's and BRI's assumptions are overly conservative, one may conclude that the required spread, depending on the assumptions used, is between 10%-16%.

14. The weighted cost of funds under SRDP II would be 8.8% (see Attachment 4).^{4/} This means that the total interest rate required for BRI to be an executing bank would be 18.8% - 24.8%.

Cost of funds	-	8.8%
+ Spread required	-	10% - 16%
<hr/>		
Total interest rate	-	18.8% - 24.8%

15. It has always been assumed that if BRI were to be an executing bank then MOF would pay an interest subsidy to BRI equal to the "total interest rate" less the interest rate actually paid by the farmer. It has not yet been determined what the smallholder will pay under SRDP II, but the extremes being discussed are 7.5% - 12%. This means the interest rate subsidy from MOF to BRI would need to be between 6.8% and 17.3%.

	<u>Minimum</u>	<u>Maximum</u>	<u>Based on BRI submissions to MOF 5/</u>	<u>Mission Recommendation 6</u>
Total interest rate	18.8%	24.8%	21.8%	24.3%
- <u>Smallholder interest rate</u>	<u>12.0%</u>	<u>7.5%</u>	<u>7.5%</u>	<u>12.0%</u>
Interest subsidy from MOF for BRI	6.8%	17.3%	15.3%	12.3%

^{4/} Assuming that 3% liquidity credits from BI continue to account for 80% of GOI's share of the credit component (equivalent to 28% of the total credit component if the World Bank finances 65%).

^{5/} Based on BRI's spread requirements and assuming that IBRD funds are on-lent to BRI at 11.1% per OMS 3.81. Note, however, that BRI's Board of Directors refused to consider any proposal for BRI to be an executing bank if IBRD were on-lent at greater than 0%.

^{6/} Based on a 15.5% spread to BRI with BRI bearing 100% of the risk of default.

16. After MOF's analysis of BRI's figures the Director General for Internal Monetary Affairs (DGIMA) concluded that the interest rate subsidies implied would be unacceptable to GOI. Therefore, he instructed his staff to prepare a recommendation to the Minister of Finance that an exception be made to the general rule that BRI be an executing bank, and that BRI should be a channeling bank for SRDP II and future PRPTE rubber. Subsequently, DGIMA reported to the Director of RSI that he would delay submitting the recommendation to the Minister until the World Bank completed its internal discussions and could make its own recommendation to MOF.

17. One should note that the minimum interest subsidy shown above, 6.7%, is just a little higher than the 6% currently payable under SRDP I. However, this minimum case depends on BRI bearing only 25% of the risk on principal, which the World Bank may find unacceptable unless accompanied by an adequate insurance premium, which would in turn increase the spread, or on optimistic assumptions about the default risk which the mission and BRI would consider imprudent.

18. One should also note that BRI's Board of Directors explicitly considered and rejected any proposal to be an executing bank if IBRD funds were on-lent at cost (currently about 10%) or per OMS 3.81 (which would imply about 11.1%). BRI's reasoning is that if IBRD funds are on-lent to BRI at 0%, then MOF's interest subsidy to BRI would be significantly reduced and would therefore be less important. However, if IBRD funds are on-lent at 10%-11%, then the MOF interest subsidy to BRI would need to be higher and would become more critical to BRI. To the extent that BRI is not confident of receiving timely payments of the interest subsidy from MOF, it is unwilling to be an executing bank if excessively dependent on that high interest subsidy. Thus, both DGIMA (MOF) and BRI generally agree on the numbers required to make BRI an executing bank, and both are unwilling to accept the degree of interest subsidy thereby implied.

19. Finally, one needs to deal with BRI's perception that financing rubber PMU planting programs simply doesn't make sense. Rubber has a long gestation period (6 years to first tapping, 13 years to peak yields), the maturities of the loan are unattractive (20 years vs. BRI's almost complete reliance on short term deposits), rubber as a product is easy to divert to alternative marketing and processing channels (compared to, e.g., oil palm), and the PMU approach maintains no marketing control over the rubber (vs. the NES approach). Furthermore, there is no reliable collateral. Although technically BRI holds the land title until the debt is repaid, BRI assesses its ability to foreclose as very low. While theoretically one may argue that all these negative factors could be overcome with proper incentives, provision of those incentives would be by GOI, and BRI's experience with managing other GOI special programs not been encouraging. BRI may be a government-owned bank, but it is still a bank.

Resource Mobilization

20. The questions here are what BRI's resource position will look like in the next few years and what would be prudent use of those resources. BRI's current deposits (including deposits of GOI agencies) are about US\$1.2B. Estimates of deposit growth during Repelita IV range from

12.5% (BRI) to 15% (mission) to 20% (RSI). This implies an incremental deposit growth during Repelita IV of US\$1.0B - US\$1.8B making total deposits at the end of Repelita IV US\$2.2B - US\$3.0B. Currently 25% of BRI's lending from its own resources goes to GOI "priority" programs. BRI would like to see this reduced to 20% by the end of Repelita IV. Assuming that BRI does devote 20%-30% of its deposits to priority programs, BRI would be able to mobilize a total of US\$440M - US\$900M for priority programs at the end of Repelita IV (see Attachment 5 for details of the calculations used in this section).

End of Repelita IV (1989) (US\$M)

	<u>Minimum</u>	<u>Maximum</u>	<u>Mission Judgment</u>
Total deposits	2200	3000	2400
<u>% to special programs</u>	<u>20%</u>	<u>30%</u>	<u>25%</u>
Total available for priority programs	440	900	600

21. BRI currently mobilizes US\$300M for special programs. If this grows 5%-20% per year then current priority programs would need US\$380-US\$750 at the end of Repelita IV. This would mean that the total available for new priority programs would be US\$0-US\$500M.

End of Repelita IV (1989) (US\$M)

	<u>Minimum</u>	<u>Maximum</u>	<u>Mission Judgment</u>
Total available for priority programs	440	900	600
<u>-Requirements of existing programs</u>	<u>750</u>	<u>380</u>	<u>470</u>
Total available for new programs	<*>	520	130

22. Of course, more resources for new priority programs would be available if current programs were cut. But note that under the "maximum" case above the "requirements of existing programs" already represent an accumulated cut in real terms of 19%. Furthermore, the current priority programs, like BIMAS, are unlikely to be cut significantly unless replaced by something like the rice procurement program.

23. Assuming that the total available from BRI for new priority programs is between US\$0 and US\$520M, what will be the effect on BRI of the two special programs financed by the World Bank, namely KIK/KMKP and tree crops? As proposed under the Bank-financed SEDP III project, BRI would need to mobilize about \$240M for KIK/KMKP.7/ This by itself

7/ US\$2000M total project x 60% handled by BRI x 20% mobilized from BRI's own funds. This US\$240M would represent 13% - 24% of incremental deposits during Repelita IV and 8% - 11% of total deposits.

would, in the mission's judgment, exceed the expected amount BRI could prudently mobilize for new priority programs during Repelita IV. But even if the "maximum" figure of US\$520M is accepted, only US\$280M would be available to finance all new special programs, including tree crops.

24. The Tree Crop Sector Survey team (World Bank and FAO staff) estimates the total credit component of tree crop special programs during Repelita IV will be US\$1.9B (including price and physical contingencies). If, as assumed, BRI is asked to finance 20% of the total non-World Bank portion (with 80% coming from BI liquidity credits), the total from BRI's own resources would be US\$300M,⁸ consisting of the following programs:

<u>Program</u>	<u>Total credit Component(US\$M)</u>	<u>BRI portion (US\$M)</u>	<u>% of estimated incremental deposits</u>	<u>% of total deposits</u>
Oil palm (total)	580	97		
Rubber NES ^{9/}	166	17		
Rubber PIR	281	58		
<u>Coconut NES ^{9/}</u>	<u>95</u>	<u>10</u>		
Subtotal	1132	182	10%-18%	6%-8%
Rubber SRDP	121	8		
Rubber PRPTE	175	35		
Coconut SCDP	97	7		
<u>Coconut PRPTE</u>	<u>342</u>	<u>68</u>		
Subtotal	735	118	7%-12%	4%-5%
TOTAL	<u>1867</u>	<u>300</u>	<u>17%-30%</u>	<u>10%-13%</u>

25. Several conclusions may be drawn from the above. One conclusion is that BRI may not have the resources to prudently finance any of the tree crop special programs during Repelita IV. Another conclusion is that, given the most optimistic scenario described above, BRI could not finance all the tree crop special programs. Most of the "maximum" US\$280M could be absorbed by oil palm, rubber NES and PIR, and coconut NES (total US\$182M), which due to either the crop (oil palm) or the method of development (NES and PIR) are relatively more suitable for commercial lending. Theoretically this implies that up to US\$98M could still be left for rubber and coconut PMU programs (out of a total need for those programs of US\$118M). However, this US\$98M is derived from a compounding of all the optimistic case assumptions, and the mission feels it would be imprudent to assume the "maximum" case as the basis for decision making.

^{8/} This US\$300M would be reduced if GOI decides to cut its tree crop special programs during Repelita IV. On the other hand, it would increase if reliance on 3% BI liquidity credits is reduced.

^{9/} BRI currently acts as a channeling bank for these programs.

Implication for GOI Resources

26. One of the ironies of this debate is that using BRI as an executing bank may not save GOI money during a time of resource constraints. The bottom line is that GOI will need to spend about US\$250M during Repelita IV to finance the credit components of SRDP II and rubber PRPTE regardless of the role of BRI. This is because the relatively small amount mobilized by BRI if BRI is an executing bank (perhaps US\$43M) would be more or less offset by the increase in payments from MOF to BRI required to induce them to be an executing bank (see Attachment 6 for details).

27. There are two caveats to the above conclusion. First, the source of GOI financing is different depending on whether BRI is an executing bank or a channeling bank. If BRI is an executing bank, then most of GOI financing would come from BI liquidity credits which are off-budget. If BRI is a channeling bank, then all of GOI's financing would come from the MOF budget. This distinction is politically significant in Indonesia since MOF would prefer to reduce development expenditures as they appear in the public record. On the other hand, the World Bank has been advising GOI to phase out BI liquidity credits for precisely the reason that in fact they represent a large hidden subsidy from GOI.

28. Second, one of the reasons BRI would need less inducement to be a channeling bank is because its default risk would be eliminated. However, this risk is obviously transferred to GOI and will eventually represent a real cost to GOI. But this cost does not show up during the Repelita IV period when all smallholder loans will still be in their grace period. And to the extent that the debate has focussed on relieving GOI's short term resource constraint, this "deferred liability" to GOI if BRI is a channeling bank becomes irrelevant.

29. Finally, one should note that the total mobilization from BRI for SRDP II and PRPTE rubber being discussed is only US\$43M out of a total credit component of US\$296M. In absolute terms, US\$9M per year simply is not a large sum of money and the mission feels that excessive hopes have raised that using BRI as an executing bank will conserve GOI resources to any significant extent. And, as stated above, even this modest US\$9M per year may be more than offset by the additional payments from MOF to BRI required to induce BRI to act as an executing bank.

Other Issues

30. Appraisal Capacity. It has been suggested that the project unit's ability to appraise smallholder creditworthiness would not be as great as BRI's and for this reason it would be desirable for BRI to be an executing bank. The mission disagrees because:

- (a) BRI does not have the staff to make credit appraisals in a timely manner.

- (b) BRI would not have any significant test of creditworthiness anyway. Specifically, the mission feels that a smallholder's prior credit record with a low-cost, short term program like BIMAS would not be a reliable guide to a smallholder's creditworthiness for a relatively large loan with a 20-year maturity such as under SRDP. The only real credit test (and potential source of collateral) is the condition of the trees, which would not be mature for six years. Until then the best guides to a smallholder's ability and willingness to repay would be his prior experience with rubber, and his performance during project implementation. The project unit would be in a better position than BRI to evaluate both these criteria.

31. Prospects for Cost Recovery. It has been suggested that using BRI as a channeling bank would reduce the prospects for cost recovery and thus endanger the replicability of the program. The mission disagrees because:

- (a) It would be easy to construct a handling fee which gives BRI a strong incentive to collect by calculating the fee to BRI as a percentage of what BRI actually collects. Under NES, BRI is a channeling bank and its fee is based on a percentage of loans outstanding. This of course does not give BRI an incentive to collect.
- (b) Using BRI as an executing bank could actually reduce cost recovery and endanger the replicability of the program because BRI would be inclined to either reject at the beginning or at the time of conversion as many smallholders as possible. This would reduce the scope of the program and preclude any cost recovery from the smallholders BRI refuses to convert.

32. Project Processing. It has been suggested that, given the controversy surrounding SRDP II, project processing should be delayed until the Tree Crop Sector Survey currently underway is completed (implying a delay of at least six months). The mission disagrees on the grounds that we now have all the information we are likely to get which is relevant to the decisions for SRDP II. The mission also disagrees with the suggestion to delay project processing until all the tree crop special programs can be reviewed and perhaps cut. Although cuts may have to be made in the Repelita IV tree crop special programs in general, and in the PMU rubber planting programs (SRDP II and rubber PRPTE) in particular, no one has suggested cuts so deep that they would need to affect SRDP II. SRDP II would only represent 40% of the area and, because of World Bank financing, only 20% of GOI's financing commitment to PMU rubber planting programs during Repelita IV (see Attachment 6). Thus, unless one wanted to cut the GOI's financing of PMU rubber planting programs by more than 80%, any required cuts could come in the PRPTE (non-World Bank financed) program, and SRDP II could proceed as planned.

The Decision

33. If Option (a), keep BRI as an executing bank, is chosen, the next steps are:

- (a) Reach agreement with GOI and BRI on the interest subsidy payable from MOF to BRI. Given DGIMA's (MOF) current reluctance to provide the degree of subsidy which DGIMA itself recognizes as being necessary, this option may involve compromises by the World Bank on things like on-lending IBRD funds at 0% and permitting BRI to continue receiving free or heavily subsidized insurance.
- (b) Require MOF and BRI to reach agreement on how the interest subsidy is to be calculated (a contentious issue under SRDP I) during both the grace and the repayment periods.
- (c) Reach agreement with GOI and BRI on the procedures for BRI to evaluate and reject smallholders it deems uncredit-worthy.
- (d) Analyze further the impact on BRI's resources if BRI is expected to act as an executing bank on other tree crop special programs.

34. If Option (b), make BRI a channeling bank, is chosen, the next steps are:

- (a) Reach agreement with BAPPENAS and the Minister of Finance that this would be acceptable.
- (b) Reach agreement on how to calculate the handling fee payable from MOF to BRI during both the grace and the repayment periods.
- (c) Determine what changes need to be made in existing programs for which BRI is an executing bank.

35. If Option (c), use another financial institution as the credit channel, is chosen, then:

- (a) The project must be reappraised since no other appropriate institution has been identified.

36. If Option (d), eliminate the credit component, is chosen, then:

- (a) The project must be reappraised, since this decision would significantly affect the goals, scope and replicability of the project.

Summary

37. There are three good reasons why BRI should be an executing bank:

- (a) In general, it is good for "banks to act like banks."
- (b) It is desirable for Indonesia to develop credit institutions lending on a commercial basis in rural areas.
- (c) Especially now, in a time of GOI resource constraints, it is important to mobilize non-government resources for development projects like SRDP II.

38. There are five good reasons why BRI should be a channeling bank:

- (a) Using BRI as an executing bank under SRDP I is not working.
- (b) Financing PMU smallholder rubber planting on a commercial credit basis is fundamentally unsound given the crop and the type of program.
- (c) The incentives required to induce BRI to be an executing bank are unlikely to be acceptable to BRI, GOI or the World Bank.
- (d) BRI will not have the resources to finance all the tree crop special programs during Repelita IV, and the SRDP, SCDP and PRPTE are clearly the most "unbankable" of the tree crop special programs.
- (e) Reason (c) in para 37 for making BRI an executing bank is fallacious. GOI will not save significant resources by making BRI an executing bank during Repelita IV. In fact, it might cost GOI more if BRI is an executing bank.

Recommendation

39. The mission recommends that the World Bank advise GOI that BRI should be a channeling bank for SRDP II and PRPTE rubber and that the mission should continue processing SRDP II as scheduled.

Explanation of Acronyms

- Agraria -The government agency responsible for surveying smallholder areas in order to establish land titles.
- BAPPENAS -The National Development Planning Agency; similar to a Ministry of Planning.
- BIMAS -A GOI special program to increase rice production.
- BI -Bank Indonesia; the Indonesian Central Bank.
- BRI -Bank Rakyat Indonesia; a government-owned autonomous bank primarily serving rural areas.
- DGE -Directorate General of Estates; the department within the Ministry of Agriculture responsible for tree crop development.
- DGIMA -Directorate General for Internal Monetary Affairs; the department within the Ministry of Finance responsible for recommending and executing financial policy with respect to development projects.
- GOI -Government of Indonesia.
- KIK/KMKP -A working capital credit program supported by the World Bank. BRI is one of five executing banks for the program.
- MOF -Ministry of Finance.
- NES -Nucleus Estate and Smallholders; a program of tree crop development, supported by the World Bank, with relatively high inputs and extension services provided to smallholders around a core nucleus estate managed by a parastatal.
- PIR -The Indonesian acronym for NES, but referring to a different program; like NES, but financed without World Bank participation.
- PMU -Project Management Unit; a program of tree crop development, supported by the World Bank in SRDP and SCDP, with relatively fewer inputs and extension services than under NES, and without a core nucleus estate.
- PRPTE -PMU programs financed without World Bank participation.
- Repelita IV - The Fourth Five-Year Plan; 1984-1989.
- SCDP -Smallholder Coconut Development Project; a World Bank project using the PMU approach for coconuts.

SEDP III -Third Small Enterprise Development Project; a proposed World Bank credit project financing the working capital KIK/KMKP program.

SRDP I -First Smallholder Rubber Development Project; a World Bank Project using the PMU approach for rubber.

Implications of Executing vs. Channeling Bank

	<u>Executing Bank</u>	<u>Channeling Bank</u>
1. Current and proposed programs.	SRDP I, SCDP, PIR, KIK/KMKP	NES
2. Source of funds (for the non-World Bank financed portion).	20% BRI; 80% BI liquidity credits	100% MOF
3. Risk sharing formula.	70% MOF; 5% BI, 25% BRI	100% MOF
4. Right of BRI to reject smallholders.	To be determined: Under SRDP I BRI has an unlimited right to reject smallholders at 3-year conversion point.	Not applicable.
5. Method of calculating handling fee.	Not applicable.	To be determined. Under NES the fee is a percentage of loans outstanding. The mission proposes this be changed to a percentage of debt payments actually collected.
6. Smallholder credit terms.	(Not dependent on the role of BRI.)	

Ways to Ameliorate Other Problems if BRI Remains an Executing Bank

1. Poor documentation by the project unit. The mission feels this is largely a red herring, but the following steps could be taken:

- (a) Eliminate some of the paper work. For example, the mission recommends that each fiscal year the 1st and 2nd quarters of the approved budget (DIPP) should be dropped automatically, as in NES projects, without having to complete the accountability reports (LPJ) for the 3rd and 4th quarters of the previous year. This would require a letter of instruction from BI to BRI changing the current procedure.
- (b) Set a specific limit on the amount of time BRI has to review a request from the project unit for a release of funds. For example, if at the end two weeks BRI hasn't found any errors in the request, it would be obligated to drop the funds. Of course, if an error were subsequently found it could be corrected in the following quarter's funds release.
- (c) Hire some qualified accountants for the project unit's headquarters and branches. This proposal is included in SRDP II.

2. Delays in payment of the interest subsidy from MOF to BRI. This problem affects all GOI programs for which BRI is an executing bank. Steps to take include:

- (a) Issuance of a letter of instruction by the Minister of Finance on the means to calculate the interest subsidy accrued. Lengthy quarrels between MOF and BRI leading to long delays in the release of the MOF interest subsidy to BRI have taken place over this relatively easy-to-solve issue. Basically the question is when the meter starts ticking: (1) when BRI releases its funds from BRI headquarters to the BRI branches; or (2) when the BRI branches release the funds to the project unit. MOF naturally prefers the latter approach and the mission agrees. Apparently MOF could unilaterally solve the problem in its favor with a letter of instruction from the Minister, but MOF has found it useful to prolong the issue as a way of delaying payment of even the undisputed amount.

- (b) Broaden the source of MOF's interest subsidy payment. Currently the interest subsidy is paid out of MOF's "export promotion fund" (DTE) which is in one specific MOF account. If this DTE account is empty then DGIMA can claim that it would like to pay, but legally cannot. This loophole could be closed by identifying other accounts eligible to pay interest subsidies or by removing the specific identification of a single account like DTE. However, closing this loophole may have little practical effect since MOF can put money in the DTE account any time it wishes to. Conversely, if MOF really wants to delay payment of the interest subsidy it is sure to find a way.

3. Delays by Agraria in surveying land. This problem only affects loan conversion, not the initial release of funds. Steps to take include:

- (a) Not allowing field development to begin until after Agraria has completed its work. The mission strongly feels that this step would be most undesirable and lead to even greater delays in project implementation.
- (b) Not converting the BRI loan to the smallholder until year 5 or 6. In addition to giving Agraria more time to complete its work, the step has the additional advantage of insuring that delays in loan conversion wouldn't threaten field maintenance while the trees are immature. Furthermore, BRI would be able to better evaluate a smallholder's creditworthiness when the trees are closer to tapping age.

Derivation of Spread Estimates

	<u>BRI a/</u>	<u>Mission Judgment b/</u>	<u>Sensitivity Analysis-1 c/</u>	<u>Sensitivity Analysis-2 d/</u>
Normal overhead & administration costs	6.20%	6.0%	6.0%	5.0%
Premium for SRDP - type lending	1.00%	1.0%	1.0%	1.0%
Profit to BRI	2.50%	1.5%	1.0%	1.0%
Risk premium	<u>3.32%</u>	<u>7.0%</u>	<u>2.0%</u>	<u>3.0%</u>
Total spread required	<u>13.02%</u>	<u>15.5%</u>	<u>10.0%</u>	<u>10.0%</u>
Cost of funds under SRDP II e/	8.8%	8.8%	8.8%	8.8%
"Total interest rate"	21.8%	24.3%	18.8%	18.8%
Interest rate paid by smallholders	7.5%-12%	7.5%-12%	7.5%-12%	7.5%-12%
Interest subsidy from MOF required by BRI	<u>9.8%-14.3%</u>	<u>12.3%-16.8%</u>	<u>6.8%-11.3%</u>	<u>6.8%-11.3%</u>

a/ If BRI bears only 25% of the risk of default and IBRD funds are on-lent to BRI at 0% interest.

b/ If BRI bears 100% of the risk; recommended by the mission.

c/ If BRI bears 25% of the risk and pays no premium for the 75% of principal insured by MOF; not recommended by the mission.

d/ For sensitivity analysis only, if BRI bears 100% of the risk; not recommended by the mission.

e/ 65% from IBRD at 11.1%; 28% from BI at 3%; 7% from BRI at 11.1%.

Calculation of BRI Resources During Repelita IV
(US\$M)

	<u>Minimum</u>	<u>Maximum</u>	<u>Mission Judgment</u>
Current deposits	1200	1200	1200
<u>Projected annual growth rate</u>	<u>12.5% a/</u>	<u>20% b/</u>	<u>15%</u>
Deposits at the end of Repelita IV	2200	3000	2400 -
<u>Percentage devoted to special programs</u>	<u>20% c/</u>	<u>30%</u>	<u>25% d/</u>
Total available for special programs	<u>440</u>	<u>900</u>	<u>600</u>
Current requirements of special programs	300	300	300
<u>Projected annual growth rate</u>	<u>20% e/</u>	<u>5% f/</u>	<u>9.4% g/</u>
Requirements of existing programs at the end of Repelita IV	<u>750</u>	<u>380</u>	<u>470</u>
Total available for new special programs	<*>	520	130
Requirements for SEDP III h/	240	240	240
Total available for new special programs other than SEDP III	<*>	280	<*>
Amount required from BRI for tree crop special programs (total credit component in parentheses) i/ i/			
Oil palm (total) k/		97 (580)	
Rubber NES		17 (166)	
Rubber PIR		58 (291)	
Coconut NES		<u>10 (95)</u>	
Subtotal oil palm, NES, PIR		182 (1132)	
Rubber SRDP		8 (121)	
Rubber PRPTE		35 (175)	
Coconut SCDP		7 (47)	
Coconut PRPTE		<u>68 (342)</u>	
Subtotal PMU rubber and coconut		118 (735)	
Total tree crops		<u>300 (1867)</u>	
Total available for new special programs other than SEDP III, oil palm, NES and PIR <*>		98	<*>
Total available for new special programs other than SEDP III and tree crops <*>		<*>	<*>
Percentage of incremental deposits proposed to go to:			
SEDP III	24%	13%	20%
Oil palm, NES, PIR	18%	10%	15%
PMU rubber, coconut	<u>12%</u>	<u>7%</u>	<u>10%</u>
Total	<u>54%</u>	<u>30%</u>	<u>45%</u>
Percentage of total deposits proposed to go to:			
SEDP III	11%	8%	10%
Oil palm, NES, PIR	8%	6%	8%
PMU rubber, coconut	<u>5%</u>	<u>4%</u>	<u>5%</u>
Total	<u>24%</u>	<u>18%</u>	<u>23%</u>

- a/ BRI estimate.
- b/ RSI estimate.
- c/ BRI goal.
- d/ Current case.
- e/ Representing a 10% real annual growth.
- f/ Represent a 4% real annual decline.
- g/ Represent a 0% real annual growth.
- h/ US\$2000M total project x 60% handled by BRI x 20% mobilized from BRI's own funds.
- i/ Assuming IBRD finances 50% of NES, and 65% of SRDP and SCDP credit components, and BRI finances 20% of the credit amount not financed by IBRD.
- j/ Figures in parentheses taken from Tree Crop Sector Review plus 10% for physical contingencies.
- k/ Assuming IBRD projects account for 33% of the total oil palm program.

Attachment 6

Implication for BRI Resources

1. If BRI is an executing bank for SRDP and PRPTE rubber during Repelita IV, the effect on GOI's resources during Repelita IV would be: a/

	<u>1984</u> <u>b/</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Total</u>
Financing of SRDP credit component:						
IBRD (65%)	8	11	15	20	25	79
BI (28%)	4	1	6	8	11	34
<u>BRI (7%)</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>8</u>
Total	13	17	23	30	38	121
Financing of PRPTE rubber credit component:						
BI (80%)	20	23	25	33	39	140
<u>BRI (20%)</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>35</u>
Total	25	29	31	41	49	175
Total financing of PMU rubber credit component:						
IBRD	8	11	15	20	25	79
BI	24	28	31	41	50	174
<u>BRI</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>10</u>	<u>12</u>	<u>43</u>
Total	38	46	54	71	87	296
Cumulative total at mid-year:	19	62	113	176	255	
Interest subsidy from MOF to BRI: <u>c/</u>	2	8	14	22	31	77
Total GOI outlay if BRI is an executing bank <u>d/</u>	<u>26</u>	<u>36</u>	<u>45</u>	<u>63</u>	<u>81</u>	<u>251</u>

2. If BRI is a channeling bank for SRDP and PRPTE rubber during Repelita IV, the effect on GOI's resources would be:

	<u>1984</u> <u>b/</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Total</u>
Financing of SRDP credit component:						
IBRD (65%)	8	11	15	20	25	79
<u>MOF (35%)</u>	<u>5</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>13</u>	<u>42</u>
Total	13	17	23	30	38	121
Financing of PRPTE rubber credit component:						
MOF (100%)	25	29	31	41	49	175
Total financing of PMU rubber components:						
IBRD	8	11	15	20	25	79
<u>MOF</u>	<u>30</u>	<u>35</u>	<u>39</u>	<u>51</u>	<u>62</u>	<u>217</u>
Total	38	46	54	71	87	296
Cumulative total at mid-year:	19	62	113	176	255	

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Total</u>
Handling fee from MOF to BRI <u>e/</u>	1	4	7	11	15	38
Total GOI outlay if BRI is a channeling bank: <u>f/</u>	<u>31</u>	<u>39</u>	<u>46</u>	<u>62</u>	<u>77</u>	<u>255</u>
Savings to MOF budget if BRI is an executing bank: <u>g/</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>40</u>	<u>46</u>	<u>178</u>
Savings to total GOI resources if BRI is an executing bank: <u>h/</u>	<u>5</u>	<u>3</u>	<u>1</u>	<u><1></u>	<u><4></u>	<u>4</u>

a/ Data in this attachment from Tree Crop Sector Survey plus 10% physical contingencies.

b/ GOI fiscal year, from April 1 to March 31 the following year.

c/ 12.3% of the accumulated principal outstanding at mid-year; based on the mission's assumptions that the smallholders pay 12% and BRI bears 100% of the risk. The extreme range of interest subsidies being discussed is 6.3% - 17.3%

d/ BI liquidity credits plus MOF interest subsidy to BRI.

e/ Assumed as 6% of the principal outstanding at mid-year during the grace period.

f/ Direct MOF financing of credit components plus MOF handling fee to BRI.

g/ Total GOI outlay if BRI is a channeling bank (all from MOF budget) less interest subsidy from MOF to BRI if BRI is an executing bank.

h/ Total GOI outlay if BRI is a channeling bank (all from MOF budget) less total GOI outlay if BRI is an executing bank (mostly from BI liquidity credits, some from the MOF budget).

OFFICE MEMORANDUM

DATE April 30, 1984

TO Mr. Donald C. Pickering

FROM John K. Coulter *JKC*

EXTENSION 61764

SUBJECT Tropsoils Project, Indonesia

I attach a copy of my back to office report on this project. I shall be discussing the report with Dr. Nicholaides of North Carolina State University, this week, after which I will send copies to AARD and the resident mission in Indonesia.

cc: Messrs. Altaf Husain, Sengupta
Ms. G. Davis

Attachment

JKCoulter/sm

Tropsoils Project, Indonesia

Introduction

1. This project is a joint program of the Center for Soils Research in Bogor (one of the AARD institutes) and the CRSP program funded by USAID and executed by the universities of North Carolina and of Hawaii.

2. The project is planned to provide guidance for soil management of the oxisols and ultisols, commonly referred to as the red yellow podzolic soils of the humid tropics. The first stage of this long term program began in July 1983 at Sitiung, a transmigration site in West Sumatra, with a team consisting of two agronomists and an anthropologist from the two universities and seven agronomists and support staff supplied by the Center for Soils Research.

3. I visited this research program March 25 - 30, and was accompanied by Dr. McCants and Dr. Nicholaidis from the University of North Carolina and Dr. Uehara from the University of Hawaii. Mr. Draper of the RSI joined me towards the end of the mission.

4. Indonesian institutions, more specifically the Crops Research Institute and the Agricultural University in Bogor have been involved in research on similar soils in Sumatra and Kalimantan for some time but the improvement of the fertility of these soils and the development of annual cropping systems that are technically and economically viable pose many difficult problems. However, the development of such systems is crucial for the transmigration programs supported by the Indonesian Government and the Bank, as long as such programs include annual upland crops as a major segment of the farm model.

5. Though the team has been in the field for less than a year it has made excellent progress in developing a good research program and in

identifying the important problems facing transmigrant farmers on these soils. The innovative feature of having a social scientist as a member of a soil management research team is already helping the team to develop a sharper focus on priorities for these farmers. ✓

6. The ongoing research program is summarised in Annex A and this report will therefore focus on some of the implications of the program for the future.

Land Clearing

7. This has been a controversial topic for several years, the argument often centering round the damage done by machine clearing viz-a-viz that in manual clearing. It is proposed to start a fairly large scale experiment on this topic but, because of the long term nature and expense involved, much thought needs to be given to the objectives of such an experiment. It is worth emphasising however that many of the problems with both manual and machine clearing are due to the fact that they are badly done. In manual felling in Sitiung V for example felling of both small and large trees has not been properly done and the burn has been poor, leaving the transmigrants to cope with an enormous quantity of logs and stumps. Many of the trees have been felled into the drainage ways.

8. One obvious answer, of course, is better supervision of contractors to ensure that the job is done properly. However, the farmers still need help in clearing the land. Chainsaws are one possible answer but it appears worth exploring the use of cross cut saws with the concomitant instruction in their maintenance. Another aspect of manual clearing in this scheme, and several others, is that the settlers are expected to fell and clear their second ha. themselves yet these settlers from Java have absolutely no experience of jungle felling and (quite rightly)

regard it as dangerous. There is obviously a need therefore for some kind of scheme which will train a nucleus of settlers in jungle felling and burning.

9. The second important aspect of manual clearing for annual crops is the condition in which the soil is left. Unlike the local farmers, who, after felling and burning, dibble the seeds into the soil the Javanese settlers prefer to hoe their land, tilling the topsoil completely. Indeed this is necessary if lime is being added and is probably useful for phosphate dressings also. However, the top soil of these jungle areas is full of roots and the traditional Javanese hoe is not suitable for dealing with these - the worn and broken hoes of the farmers demonstrate this only too well. The farmers would probably be saved considerable effort if they had a differently designed, and stronger hoe.

10. As regard machine clearing the areas that have remained completely sterile, even of weeds, several years after bulldozing, demonstrate only too clearly the impact of such clearing. However, no one advocates the use of bulldozers for clearing for agriculture and the question is, what are the advantages and disadvantages of land clearing properly done by machine e.g. by using a properly operated KG blade? However, this method of clearing still leaves open the question of what to do about the roots in the areas designed for annual crops. ✓

11. An experimental program looking at land clearing has therefore to take into account not only the impact on the chemical constituents of the soils and such physical factors as can be measured experimentally but must also look at what the farmer needs in the way of soil conditions, after clearing, to give him the best start in his farm operations.

Soil acidity and liming

12. Most of the soils are extremely acid, having up to 80% exchangeable Al and very little exchangeable Ca and Mg. Consequently only a few annual crops, of which upland rice is one, can survive without liming. Government has now started a liming program to encourage farmers to grow soybean (of which there is an Indonesian import for food of 400,000 - 500,000 tons). Ground limestone at the rate of 3-1/2 tons/ha (and at a cost to the government of about \$210 per ha.) is being delivered free to the farmers. However, there is inadequate field experimentation to determine optimum rates of liming and to link liming responses with soil analyses. The first year's results of the experiments being done by the Tropsoils team would indicate that 2 tons/lime/ha. is adequate. The residual effect is also quite considerable.

13. The program in the Sitiung area has demonstrated that Government can, at a price, organise a ground limestone industry that delivers high quality material to the farmer and that the farmer is capable of spreading such quantities by hand, very efficiently. It is indeed unfortunate that such a large investment program does not have a better agronomic and economic basis than that presently available. The problems comprise not only the correct amounts, but also the method of application e.g. the advantages of hoeing into the soil deeply and the impact on the trace element status e.g. zinc in these poorly buffered soils. It must be emphasised that these farmers have no experience in the use of lime and the readiness with which they adopt liming must be attributable not only to the fact that it is free but also that they are prepared to try many things in order to improve their production. It follows therefore that

the series of liming experiments now under way by the Tropsoils team should help considerably in determining how to use this soil amendment efficiently.

Plant Pests and Diseases

14. Pests and diseases present major hazards for the settlers. The problem of vertebrate pests, rats and wild pigs, are well known but there seem to be few concerted efforts to deal with them. The wild pig problem lessens as the jungle disappears but rats remain a problem and in the absence of some form of well managed poisoning campaign are likely to continue so.

15. Plant diseases also cause considerable difficulties, one of the most serious being blast of upland rice. The project has tested IRRI varieties but none of those, so far tested, show particular promise. The effects of disease on rice are well demonstrated in the Tropsoils trials and in the farmers own crops. In the trials the best grain yields have been in the range of 2.5 tons/ha but straw yields are up to 10 ton/ha which suggests that much larger yields of grain are theoretically possible if disease resistant varieties could be found. Yields in the farmer fields are much lower, probably not more than 700 - 800 kg/ha on average. The effects of disease, particularly blast are exacerbated by adverse soil and climatic conditions and it remains to be seen whether the attacks can be reduced by improving the soil fertility.

16. Pest and disease problems of crops are difficult for the team to cope with as it has no specific expertise. It has received help from the research center at Sukarami but progress in developing good cropping systems will require considerably more input from plant breeders and pathologists and it is hoped that such support can be increased in future,

perhaps through the station at Gunong Medan. It would indeed be a pity if the development of improved farming systems failed for lack of that most traditional of research activities, plant breeding.

Farming Systems Research

17. The farming systems program is designed to support the work on soil fertility management, thus ensuring that it is relevant to the farmers problems and at the same time attempting to define more clearly the major problems of the farmers. The program has made a good start and is closely interlinked with the agronomic program. Indeed all of the agronomic work is being done on farmers land, though the degree of farmers participation varies from nil to quite large. Like all programs of this nature the major challenge is the maintenance of a balance within the overall project so that the research can be confined to a relatively few but important areas.

18. The work with 20 farm families operating on recently cleared land has given the team a good insight into the problems confronting the settlers, as described in para 7-9. By working with the farmers on their preferred rotations information is also being collected on the labour input and the role of women in the farming systems. The anthropologist is also doing other research among the settlers, which includes determining the division of agricultural labour, the amount of time devoted to livestock, the amount of off-farm wage earning activity (which is large).

19. The research on farming systems with a soil management focus is providing much useful information for the project. The inter-disciplinary nature of the research should keep the farming systems work from becoming too diverse and at the same time provide the soil management research with essential back up in its work for the settlers.

Perennial Crops

20. The issue of perennial viz-a-viz annual crops is one that has persisted since the major transmigration programs started. The question usually raised is, is it possible to develop systems of sustained annual cropping which are socially, technically and economically acceptable? Stated another way, the question is - given the poverty of the soils, the problems with pests and diseases, the periodic intra-seasonal droughts and the shortage of labour (in the absence of animal cultivation) can the farmer on these soils, depending only on annual crops, rise above the subsistence level? If may be possible to answer this question in 4 - 5 years, though given the experience of some of the other settlement projects and the problems encountered in growing good crops at even the experimental level I am inclined to the view that it is going to be very difficult and, in many areas, perhaps impossible. Consequently it would be wise to include some experiments with perennial crops in the program, in particular on some of the areas with slopes above 8 - 10%. This might be done by involving the Rubber Smallholders Research Institute at Sembabwa in some experiments intercropping food crops with rubber and with other tree crops, particularly coconuts. Such work, involving the farmers as the other experiments are now doing, could provide good information on how to integrate perennial crops and annual crops on these poor soils.

21. Similar considerations apply to pasture; there is already a small trial of grass species (for grazing) provided by CIAT but as the farmers are interested in stall feeding, it would be worthwhile trying other species suitable for "cut and carry". The survey carried out by the anthropologist shows that the farmers have a major interest in ruminant livestock and already put a considerable effort into cutting and carrying

the very poor quality roadside and wasteland grasses. Such grasses are low in nutrients, including minerals.

Conclusions

22. The Tropsoils Project is off to a good start. It has made a strong effort to integrate the Indonesian agronomists into the team and this should have a good impact, not only in training them in a variety of aspects of field experimentation for soil fertility management, but also in training them to work as part of an integrated team trying to identify problems from the farmers point of view. The team is faced with many challenges in developing economic management systems for these soils. It cannot tackle all of the problems alone but it forms an excellent focal point to which other research programs could be attached. The team should be encouraged to seek help from some of the other institutes in AARD in the form of small teams on pasture, tree crops and selection work on annual crops. The project could thus be used to build up a strong capacity in the search for improved agriculture for these soils which are representative of large areas of Sumatra, particularly those being used for transmigration schemes.

SUMMARY OF TROPISOILS ACTIVITY1983-84

Tropsoils is a joint endeavour of the Indonesian Government (specifically the Center for Soils Research in Bogor) and the U.S.A.I.D. (as contracted to the University of Hawaii and North Carolina State University). The project is hoped to provide information and ultimately guidance for soil management in the humid tropics. There is a specific concern, in Indonesia, that the project address the problems of these ultisol-oxisol-entisol soils so common in Indonesia's Outer Islands. The first stage of this long term project has begun in Sitiung, a Transmigration site in West Sumatra. For the immediate future, our goals are twofold: To rehabilitate lands that have been adversely affected by the land clearing methods used, and to develop soil management strategies that will render sustainable agriculture feasible in the area.

One of the important characteristics of this project is its upfront recognition that the ultimate beneficiary of this kind of research should be the people who live on the soil. We also recognize that there has traditionally been a gap between what scientists learn from their research on the one hand, and what farmers and community members on the other are willing and able to practice. In this project, we are explicitly trying to bridge that gap, recognizing 1) that the people have valuable information about their own environment, preferences, goals, and constraints, and 2) that we need to attend to those concerns in deciding what to investigate.

Our research to date can be seen to fall into four main categories. The first represents the most traditional, perhaps, from a soil science point of view. Previous scientific work had been done in the area before we came. Problems of soil variability, acidity, infertility, and erosion had all been identified beyond a shadow of a doubt. The following experiments were devised to follow up on our preliminary information, and establish these environmental parameters firmly.

- Soil Variability - It has been observed both on farmer fields and in experimental plots that there often exists extreme micro variability of soil productivity, i.e., great differences in plant growth within a few meters' distance. It is not uncommon

to see dead or dying plants (barren soil) within one or two meters of healthy, vigorous crop plants. Thus this experiment was established to determine or correlate soil chemical and physical properties most influential in causing the extreme crop growth and yield variability. An area 20 x 20 m in Sitiung IIE was chosen and intensively sampled in a non-random fashion suitable for making geostatistical analysis of the variability of soil and crop parameters. A total of 121 samples/observation sites were selected. Upland rice, peanuts and cassava will be grown in succession with the goal of determining which soil factors are responsible for the variation.

- Soil Acidity.- Soil analysis, field observation and previous experimentation have shown the soils of Sitiung to be extremely acid, and few crops grow well without liming. Two lime experiments have been established: One concerns lime rate and maintenance with the main objectives being (1) to determine initial rates of lime necessary to achieve a desired level of acidity (Al saturation) and (2) rate and frequency of lime applications to maintain that desired level. The second is a lime source and method of application experiment comparing two sources of lime, namely burned (Ca(OH)_2) and ground (CaCO_3) in combination with five methods of application, including surface (no-till), hand hoe (15 cm.), cattle-drawn plow (15 cm.), rototiller (15 cm.) and spading fork (30 cm.).

- Soil Nutrition - Several experiments have been established dealing with individual soil nutrients. These include:

- (1) a Mg experiment with 2 sources and 5 rates of Mg,
- (2) a P experiment with 4 rates and 5 methods of application,
- (3) a N experiment with 4 rates and 4 sources,
- (4) a set of three IFDC experiments,
 - (a) lime x P
 - (b) N source and rate
 - (c) Prate (as TSP) and rock phosphate (partially acidulated)
- (5) a graduate student from NCSU will be coming in 1984 who will investigate K fertilization, i.e.,

- Erosion - Soil erosion on the sloping lands of Sitiung is severe. Gullies, exposed subsoil, and red, murky rivers are telltale signs of the effects of annual crop farming rolling and steep hillsides under the intense rainfall climate of Sitiung. A large experiment with walled plots and soil and water collectors has been installed. Treatments include no control, bunds (contour terrace) and bench terraces. Further treatment includes leaving the above terraces bare or planted to Bahia grass, and mulching or not mulching the channels in order to catch the eroded soil. These plots will be cropped with an annual rotation of rice, soybeans, and cowpeas.

The second major category of investigation has a close connection to agronomy. Because of our concern that our findings be applied, we have instigated a number of experiments aimed at specific crops. Rice, as can be seen, is important in almost all of our experiments. since it plays such a vital role in the Indonesian diet and marketplace. Over 40 varieties and lines of upland rice were obtained from IRRI, and planted in two locations.

This experiment is the acid upland screening nursery from IRRI. The 40 lines and varieties were planted under four fertility situations:

- (a) no lime, no P
- (b) no lime, 60 kg P/ha
- (c) lime=1/2 exchAl, no P
- (d) lime=1/2 exchAl, 60 kg P/ha.

It will be continued each year with IRRI upland rice group supplying materials.

A similar experiment will be established with 15 varieties of soybeans in 2^2 factorial, i.e., no lime, lime and no inoculant, inoculant.

As germplasm is found screening for acid and/or P tolerant varieties of additional crops will also be done, e.g., peanuts, corn, cowpeas, as well as local strains of dryland rice.

Two more experiments have been undertaken in direct response to our findings since we came here. The new governmental emphasis on palawidja crops has included a planned pilot program for

planned package may be deficient in certain essential nutrients (notably P and K), and fear that the entire program could fail for lack of same, has resulted in a series of experiments on soybeans in Sitiung I.

Three locations in Sitiung Ia and three in Sitiung Ib were selected for experimentation. The treatments included a control (no lime or fertilizer), the government recommendation (3.5 T/ha lime and 50 kg TSP/ha) and various combinations of higher rates of TSP and KCl with the government supplied lime rate (3.5T/ha). The purpose of these experiments was to determine if the recommended 50 kg TSP was adequate fertilizer for the limed soybeans. Lime is being supplied free of charge to the farmers but at great expense to the government (Rp. 200,000/ha). It was hypothesized that with lime and insect control, higher rates of P and K fertilizer would be very profitable for the farmers. (Although lime is supplied by the government, the farmers are to buy their own fertilizer.) It was hoped these experiments could demonstrate to the farmers the profitability of using fertilizers in connection with the generous subsidy of lime by the government.

Our interest in pasture experiments has increased since we have been on site, because of our observation that, besides having the potential of adding fertility to the soil and serving as a cover crop minimizing erosion, the people are currently spending a considerable amount of time in pursuit of grass for their animals (in Sitiung I and II). This suggests that pasture may be something of interest to them. We have obtained 21 kinds of pasture seed from CIAT, and planted them in Sitiung II.

This experiment is also known as the CIAT Trial B. It has been successfully established, although only one grass seed was still viable and the remaining 16 entries are legumes. The interest and desire by the farmers and suitability of this climate and landscape for pasture development all point to this work's being expanded to include more grasses and to test grass-legume mixtures. This will be done as seed is obtained.

Our third category of experiment derives from our commitment to seeking cheaper methods than chemical fertilizers for

enhancing soil fertility and productivity. One route is to seek substitutes like the residue from biogas plants or the possibly hormonal effects of worm casts for enhancing plant growth.

A few grams of worm cast material added to each seed hole produced dramatic responses in the greenhouse in Bogor, and is now being tested in the field here in Sitiung. Also various rates of residue (effluent) from a functioning biogas generator in Sitiung IId are being tested solely and in combination with manufactured fertilizers as a soil amendment.

We are also interested in the use of green manure or cover crops as a soil improvement. Although we do not yet have an experiment dealing exclusively with green manure, it is a component of a reclamation experiment (to be explained next) and our farming systems research (to be explained later). Also a graduate student from UII plans to come in September 1984 who may work on green manuring and/or alley cropping with legume trees.

A final component experiment that is underway in Sitiung IIe is a reclamation experiment. A very severely degraded, barren hillside was chosen for the site. It had been cleared in 1978 by a dozer and was denuded of topsoil and vegetation. It has been essentially sterile since then. An experiment (to be the Ph.D. dissertation research of Karim Makarim) was implemented with both soil chemical and physical treatments aimed at determining what inputs might be required to bring this back into production.

The fertility treatments are:

main plots

- (1) no lime or fertilizer
- (2) low levels (to achieve critical value soil test levels) of lime, N, P, K, Mg, S, Ca, Zu,
- (3) high levels (to achieve optimal values of soil test levels) of lime, N, P, K, Mg, S, Ca, Zu.

split plots

- (1) hoe
- (2) hoe with post-emergence mulch (Calapagonium)
- (3) hoe and incorporate green manure (Calapagonium)
- (4) spading fork (deep tillage to 30 cm)
- (5) strip fork (deep till only alternate 20 cm strips)

These treatments were installed on refurbished bench terraces that had been previously constructed by the farmer.

Our fourth and final category of research is the most atypical component for a soil management project. This research is designed, not to be a separate component, but rather to feed into all the components and to help us determine our research priorities so as to be maximally consistent with the interests, constraints and opportunities that exist in the communities where we work. We began this process in Sitiung V (discussed at length in "Farming Systems: The Process in Sitiung"), working closely with 20 Transmigrant families on their own land. The following experimental design was created in collaboration with these farmers, and is being implemented by them with informal help from Tropsoils personnel.

Each farmer has four 10 x 20 m plots which received the following treatments:

- (a) no fertilizer
- (b) the Government subsidy (100 kg urea, 100 kg TSP/ha).
- (c) 800 kg/ha Rock phosphate plus the above Government subsidy.
- (d) 2.5 T/ha lime + 100 kg/ha urea and 200 kg/ha TSP.

The yearlong cropping system used on these plots follows (planted consecutively):

- (a)* Plant half red and half white rice in each plot,
- (b)* When rice is two months, relay plant rows of cassava every 5 m.
- (c)* Plant 3 rambutan trees per plot.
- (d)* Plant chilis after harvesting white rice; and peanuts after red rice.
- (e) Plant a vegetable combination consisting of tomatoes, chilis, eggplant, and long green beans, after the chilis; and mucuna bean after the peanuts.
- (f) Next wet season, plant rice again to determine impact of cover crop on yields.

*Starred items are already accomplished.

In conjunction with these experiments, frequent communication with farming families was maintained to ascertain problems and opportunities that emerged. Additionally a time allocation study and a series of interviews with our 20 cooperator families and 20 other randomly selected families were undertaken.

In Sitiung I, we have undertaken another time allocation study and a study of cows and goats (in collaboration with the Small Ruminants CRSP), because of our interest in pasture as a possible Tropsoils activity.

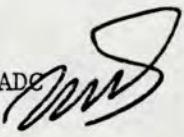
A food consumption study has been planned to take place in April and May in Sitiung I and V. This will provide us information to help select experimental crops that will be most acceptable and to provide baseline data for nutritional assessment of community eating patterns in the two locations.

Farmer record keeping data have been collected from 14 farming families in Sitiung IV, by Dr. Doug Perry of the Food Crops Institute. We just received permission to analyze these economic data, and plan to start in April.

OFFICE MEMORANDUM

DATE June 4, 1984

TO Distribution

FROM Mark Baird, AEADC 

EXTENSION 72425

SUBJECT INDONESIA - Employment Strategy Paper

1. I attach the strategy paper for our work on employment in Indonesia. This will be reviewed at a meeting on Thursday, June 14 at 10.00 a.m. in room C-610 and you are invited to attend.

2. At the review of the Indicative Statement in December 1983, it was agreed that the scope of any future economic work should be resolved after the completion of this paper. In subsequent discussion within the programs divisions, in headquarters and RSI, we reached the conclusion that there was a strong case for devoting resources to the relationship between government policy and employment. This was reinforced by the Government's clear interest in the topic, as expressed in the discussions of the 1984 economic report in April. The attached strategy paper therefore proposes reintroducing a study on employment issues into the FY85 ESW program, and describes potential areas for analysis.

Attachment

Distribution

Messrs. Karaosmanoglu, Yenal (AENVV), Hasan (EMNVP), Jaycox (AEADR), Kirmani, Baldwin (AEPDR), Young, David (AEPID), Hewson, Gunaratnam, Naor, Cuddihy, Boerema (AEPA5), Hussain (AEPA4), Bjelorglic (AEPT2), Biderman (AEPWU), Hunting (AEPED), Rajagopalan (PPD), de Azcarate (2)(CPD), Yudelman, Binswanger, van Holst Pellekaan (AGR), Habte (EDC), North (PHN), Pouliquen (TRP), Churchill (WUD), Golan (IND), Baneth (EPD), Richardson (IFC), Gelb, Lluch, Mazumdar (DRD), Cheetham, Jeurling, Khalilzadeh-Shirazi, Kilby, Nehru, Suriyaarachchi (RSI), Rao (EGY)

Mss. Davis, Subido (AEPA4), Lele (DRD)
- AEADC Staff

MWalton:sk

INDONESIA

EMPLOYMENT STRATEGY PAPER

A. Introduction and Summary

1. This paper outlines a program of work on employment issues over the coming year. This would lead to a self-standing report and provide the basis for inputs to the CEM (either in FY85, or FY86). This can be viewed as follow-up to the 1983 report on employment.^{1/} The Government's principal comment on this report was the lack of policy advice on employment; this comment was repeated in the discussions of the 1984 economic report. The primary objective of the work is to pull together existing material, in order to analyze the impact of policy interventions on employment in the next five to ten years. New research will not be conducted, although some time will be devoted to specific longer-term requirements for data generation and analysis; Appendix 2 of this paper presents some initial views on this matter.

2. The work would be organized in three parts. The first part would develop a working picture of the process of employment and income generation in the past, in order to provide the framework for the policy analysis. The main emphasis would be on current developments in Java, and on the linkages between growth in agricultural incomes, public expenditures, rural nonfarm employment and migration to urban areas and the Outer Islands. The core of the analysis of policies would be in the second part, that would survey areas of government intervention that directly or indirectly influence the availability of and returns to employment. The objective would be to define a number of areas in which government policy can influence demand for labor in a period of tighter resource constraints. The following areas would be covered: the impact of the Government's agricultural policy, especially on irrigation and mechanization, on agricultural incomes and labor use in Java; the scope for altering the composition of public expenditures to allow a relatively buoyant growth of expenditure categories with high domestic content, strong multiplier effects as well as a reasonable rate of return; the relationship between industrial adjustment strategy and labor demand; the consequences of transmigration for the distribution of the labor force; and a survey of labor policy. The third part would use the results of the analyses in specific areas to place employment issues in the context of macroeconomic projections, using a fairly simple quantitative framework. These areas are discussed below. The primary focus of the analysis would be the employment situation on Java, with the Outer Islands being viewed largely as a source of additional labor demand from the rural Javanese labor force (and also a supplier of labor to the urban labor market on Java). However, a broad outline of the likely implications of transmigration and urbanization on the distribution of the labor force in the Outer Islands would be carried out. It may also be possible to outline the employment situation in areas, such as Southern Sumatra, where it appears to be rapidly changing.

^{1/} Wages and Employment in Indonesia, Report No. 3586-IND, July 1983.

B. Descriptive Analysis of the Growth in Employment and Incomes

3. This part of the work will be concerned with describing and analyzing the pattern of growth in employment and incomes up to about 1982-83, with the objective of getting a better understanding of the issues we should be focusing on in the policy analysis. First, though, we need to get clearer on the source of concern with employment within Indonesia.

4. Employment is certainly an important preoccupation of the Government, and is driving some key areas of policy making (transmigration being the most transparent example). However, the term is broad and potentially misleading. The problem is often expressed in terms of the need to provide jobs for the increment to the labor force. This has some interest, but this is a very partial formulation of the issue. The problem is better cast in terms of two underlying concerns of the Government: the future evolution of rural poverty in Java, and the potential development of the urban labor market in both Java and the Outer Islands. These are also legitimate areas for us to focus on.

5. The first concern derives from the very high man-land ratios in rural Java, combined with two observed trends in the past ten to fifteen years: an increase in landlessness or near-landlessness, and the introduction of labor-displacing innovations for certain operations in rice cultivation (especially harvesting). The problem is often put in terms of whether there is enough land to provide adequate agricultural incomes for the rural labor force. Since agriculture is still the primary source of employment and incomes for half of the total labor force in Java,^{2/} shifts in employment in this sector can have a large impact on the supply of labor to other sectors. This leads to questions in three areas: first, concerning the potential for continued growth in agricultural income on Java; second, concerning the distribution of any increase in agricultural incomes between different household categories, and in particular the availability of wage employment in agriculture to households predominantly dependent on labor income; and third, the present and future access of rural households to alternative income-earning opportunities, whether in rural nonfarm production, urban areas in Java, or in the Outer Islands. The primary issue concerns the distribution of income and its impact on poverty. The distribution of employment opportunities is one of the major determinants of this, but this is only part of the story; it is also important to analyze the growth in productivity in existing operations.

6. The second area of concern, the development of the urban labor market, derives from the potential for increased dissatisfaction of the urban labor force with income-earning opportunities. Three trends are of significance here: first, the prospect of a slowdown in the growth of formal sector employment, in particular associated with slower growth of the public sector; second, the rapid projected growth of secondary school leavers in the next decade - members of this group, characteristically waiting for a well-paid

^{2/} In terms of hours worked, the proportion of total employment is probably less.

formal sector job, have formed a high fraction of urban unemployment in the past; third, the implications of the potential slowdown in agricultural and formal urban sector employment for the level of income in the urban informal sector.

7. There are a number of processes going on that will influence future developments in these two areas. The main objective of this part of the work would be to bring together available data and analyses in order to have a better understanding of their interrelationships. The following areas of analysis are proposed.

(a) Development of a Picture of the Current Structure of Incomes

8. There are three potential activities here. First, we want to get a useful division of the existing structure of income-earning activities and the number of households dependent on each activity. The purpose of this would be to get a better view of the relative importance of different activities for household incomes. It would form the basis for the simulation of alternative scenarios for the future to be covered in the third part of the work. A division of sectors along the following lines is proposed:

Sectors : irrigated agriculture
rainfed agriculture
small-scale manufacturing
large-scale manufacturing
construction
government services
other services

Regions : Java and Outer Islands, possibly with some further disaggregation at the island level.

The purpose of the exercise is to have a level of aggregation at which it is possible to form a useful view of the impact of policy interventions on future trends. Information is limited, and it will probably be necessary to use "sector of primary employment of individuals" as a proxy for total sectoral employment. However there is enough data to form a view on both production and employment trends.

9. Second, a description of the functional distribution of income for the principal sectors will be provided. The latest information currently available on this is from the 1975 Social Accounting Matrix, prepared by Downey, that provides estimates of paid and imputed labor income and surplus by sector.

10. Third, we want to develop a picture of the relationship between household categories and income sources. This derives from the primary concern with rural poverty, for which household income is the key variable. The ideal requirement is an explanation of the structure of household income in terms of household characteristics, in particular the ownership of physical and human resources. A sophisticated analysis is not planned, both because of

the weakness of the data and because of the priority in the work to policy-related issues. However, there is enough information to provide a working picture in the 1975 Social Accounting Matrix, the village level resurvey currently being carried out by the Agro-Economic Survey in Bogor, and possibly from ongoing work on the 1981 Susenas. One aim of this is to show the relative importance of nonfarm sources of income for rural households.

(b) Analysis of the Process of Income Generation in Rural Areas

11. The purpose of this section would be to analyze the process of creation of income in different productive activities, and its distribution across households. Data are even more fragmentary here, but it is again important to have a working picture of existing developments. The starting point of the analysis is the historical pattern of growth in sectoral income, the distribution of this income between labor income and surplus, where available, and the distribution of employment, at a minimum by primary sector of activity. For aggregate employment trends this will use the census results, supplemented by an analysis of more recent changes from a comparison between the 1977 and 1982 labor force surveys. Village level results, especially from the resurvey of villages by the Agro-Economic Survey in 1983-84 will also be used. The initial hypothesis runs along the following lines. The two relatively autonomous sources of income, from agriculture and public expenditure, were quite buoyant up to about 1982. Yet direct employment in agriculture grew very slowly, and the share of wages declined, at least until 1979/80. However, this was offset by a rapid relative expansion in rural nonfarm employment and in temporary migration to urban areas. Current evidence suggests that returns to labor in these activities are now characteristically as high or as higher than wages in the principal agricultural activities (with the possible exception of harvesting). Multiplier spending from autonomous income sources, combined with a large increase in the transportation of goods and people, were the principal influences in this process. While increased consumption of manufactured goods was an important part of the process, direct employment creation in manufacturing was relatively small; many more households obtained income and employment from the increased value added in the trade and transport sectors. It is very difficult to find information that provides a detailed substantiation of this story. The one part that it should be feasible to put on a firmer analytic base is the distribution of spending from income increases, since there is very detailed data on expenditure from the annual SUSENAS. Given the orientation of the planned work, full financing of such a data-intensive activity would probably not be justified. However, we hope to collaborate with some ongoing analysis of the 1981 SUSENAS by Ray Byron in the Australian National University.

(c) The View of Labor Markets

12. The way in which labor markets operate in Indonesia has been subject to quite different interpretations in past work in the World Bank. In particular Leiserson et. al. took the view that the labor market was competitive and well integrated, while Lluch and Mazumdar concluded that both the rural and urban labor markets were internally segmented, at least in Java, with some rationing of employment in the relatively high wage rice and formal

urban sector markets.^{3/} This is an important topic, but it is not intended to do further substantive work in this area. Two things will be done. First, there will be an account of the view of the labor market taken as background to the report. This will probably be along the following lines:^{4/} that the labor market throughout Indonesia is divided into a series of interrelated segments, with the divisions marked by transport costs, information and some institutional forces. However, with the possible exception of the high wage formal urban sector, there are sufficient flows between segments to prevent significant dysfunction of the market. Second, the robustness of the major policy conclusions in the report will be analyzed with respect to the view of the labor market. It will be argued (hopefully - once the analysis is in) that the thrust of the conclusions would hold under the range of likely views of labor market distortion.

(d) Labor Force Projections

13. Projections of the growth of the aggregate labor force have been thoroughly done already. While there are two or three to choose from, not much effort will be expended in this area. Some figures will be necessary, in particular in putting together the illustrative macroprojections, and it is currently planned to use the projections done by the Central Bureau of Statistics and used in the analysis for Repelita IV. However, there are two areas that warrant some attention because of their importance to the adjustment problems in the next decade: the spatial distribution and the educational composition of the labor force. These are looked at in turn.

- (i) Spatial Distribution. The main issue here concerns the impact of projected migration trends on the distribution of the labor force. This will be a function of the evolution of wage differentials and employment opportunities, but our understanding of the determinants of migration is too weak now to warrant a sophisticated analysis^{5/}. It is proposed instead to make use of the provincial population projection model developed for Rao's Spatial Development work to obtain some working results of alternative assumptions on the level of official transmigration. This will provide useable results for the growth in the rural labor force in Java, a primary focus of our attention, and also over the potential size of changes in some of the key areas of the Outer Islands (especially Southern Sumatra, and the target areas, in Kalimantan and Irian Jaya, of the official transmigration program).
- (ii) Education. The expansion of secondary education will have a major impact on the composition of the labor force in the next decade.

^{3/} See Appendix 1 for a brief account of past work in the World Bank.

^{4/} "Probably" because the working view could change in the course of the work, especially as the results come in from the Study of Rural Labor Markets by the Agro-Economic Survey.

^{5/} See Appendix 2 for suggested longer term work on migration.

This could lead to adjustment problems, especially in the urban labor market. Even with successful adjustment, the current differentials between earnings of secondary school graduates and other members of the labor force will have to decline. Given the importance of the urban labor market to policy makers some view on the dimensions of the changes will be formed. The Central Bureau of Statistics is now discussing doing this kind of analysis in cooperation with the Ministry of Education. If this falls through, it is possible to make some rough and ready estimates on a spreadsheet - the size of the changes are so large that precision is not essential.

14. Summary. The purpose of this part of this report is to provide a working framework for the current structure of employment and incomes in relation to production, the process of income generation in the past (especially in rural Java), the functioning of labor markets, and of projected changes in the size and composition of the labor force. This should be an adequate basis for the subsequent policy analysis.

C. Policy Issues

15. The second part of the work would analyze the scope for employment-related policies in a number of areas. While the initial focus is on raising labor demand, the main eventual objectives are of raising rural incomes in Java and reducing the pressure on the urban informal labor market. The overall thrust of the analysis will concern how, in a period of tighter resource constraint, it will be possible to sustain the past pattern of growth, of buoyant agricultural incomes, rapid growth of incomes and employment in rural nonfarm and urban informal activities, and large rural-urban flows of goods and people.

(a) Agriculture in Java

16. The analysis of the first part will have shown that agriculture is still the primary source of incomes and employment for about half the population of Java, and also that growth in agricultural incomes can have large indirect effects on the growth in nonfarm employment. Even if there is little incremental employment creation in agriculture in Java, general policies to maintain growth in productivity, through maintenance of favorable internal terms of trade and improvement of infrastructure and support services, will have a large impact on rural incomes. Also, small shifts in the availability of employment in this sector can have a large impact on the supply of labor to other sectors of the economy. The starting point of the analysis will be that appropriate policies can sustain a growth in agricultural production of the order of 3.5 - 4.0% p.a. in the next decade. It will then examine the role of agricultural employment in affecting this distribution of this increase in income.

17. The first step will be to develop a view of potential labor absorption in irrigated agriculture (primarily rice). This would review comparative data from the ILO/ARTEP Labor Absorption in Agriculture project, along with data on the growth in cropping intensities and the pattern of labor use by

activities in Java. A cursory review of the evidence suggests conclusions along the following lines. Only Japan, at the beginning of this century, has had higher labor use in specific agricultural activities than Java, and, where this occurred, it was due to the absence of technologies (e.g. chemical fertilizers) that are now clearly economically superior. There is a declining trend in labor use by crop in Java, with the adoption of new technologies for a number of operations,^{6/} characteristically associated with the increased premium on time with the opportunity for higher cropping intensities, and the use of high yielding rice varieties. There is evidence of the emergence of a seasonal labor shortage in land preparation, but, on the demand side, this largely reflects a concentration of the demand for labor into a shorter period of time. The reduction in labor use per crop has so far been broadly compensated by rising cropping intensities, so that year-round labor use has shown little change. The future evolution of employment will depend on this balance between rising cropping intensities and reduced labor use by activity. These are closely connected, but are reviewed here in turn.

18. The addition of further crops in the agricultural cycle will probably not create direct employment for additional people, since the dominant effect will be to maintain the pattern of labor demand in the peak season for a higher proportion of the year. However, this can have a very beneficial effect on rural incomes and can lead to additional employment in nonfarm activities. The main vehicle for intensification is improved water availability. What we can offer here is a review of current knowledge on investment in irrigation, based largely on experience gained from project work. This would (hope to) show that there is potential for significant improvements in the efficiency of use of existing primary sources of water supply, through allocation of increased financial and manpower resources to maintenance, tertiary construction and, where necessary, rehabilitation (even if this is now delayed maintenance). This will largely be in geographic areas with the potential for about two crops. This type of activity also has a low foreign exchange content and should receive high priority. The extension of the area of year-round cropping will characteristically require new investment in large-scale storage or groundwater. Although some investments in these areas are economically justified and should go ahead, they are more costly in foreign exchange, and, with respect to large dams, the availability of sites appears to be relatively limited in Java.

19. Labor use by activity will largely depend on the pace of mechanization. A review will be conducted of evidence on the economics of mechanization, existing trends and current policy. This will be based, inter alia, on work by IRRI, and by the Agro-Economic Survey in the late 1970s. The only clear policy conclusion now concerns pricing: that the cost of both the equipment, and of credit used to finance it, should reflect economic values. Credit policy seems to be variable: there is evidence of the use of low

^{6/} Adoption of new technologies is virtually complete in rice harvesting and milling, but is only starting in threshing and land preparation.

interest KIK ^{7/} funding, but we were told that in Central Java the Governor had decreed that no subsidized credit could be used for this purpose. Going beyond pricing policy could be tricky. This is an area where the development and introduction of intermediate technology can have perverse effects. On Java large-scale mechanization makes no economic sense, but cheap hand tractors do in some circumstances. If this causes sharp reductions in the demand for hired labor it can lead to worsened rural income distribution, and there may be a case for intervention. Government policy is not clear in this area, but it may not be possible for the work to go further than clarifying the issues.

20. To complete the picture, a view on employment and incomes in rainfed agriculture would be required. An overall assessment on future trends based on present knowledge will be formed, but new work is not planned. This is essentially a productivity and income problem for households currently dependent on this sector. The technical potential for productivity increases appear to be large, but appropriate policies to achieve them are elusive.

(b) Public Expenditure

21. Changing the composition of public expenditure is a powerful policy instrument. The first part of the work will have argued that public expenditure policy up to 1982, that involved buoyant, sectorally diversified and spatially dispersed expenditures, had major direct and indirect effects on growth in Java, especially in the rural nonfarm sector. Expenditures on the INPRES programs, irrigation, and roads were of particular importance. This section of the report will attempt to substantiate the following case for future expenditure policy. There should be a sustained growth in certain categories of expenditure in Java, that are spatially dispersed and have a high domestic content. The principal examples will concern the improvement and maintenance of rural infrastructure. The broad justification is in maintaining the demand conditions for the continued expansion of the rural and urban informal economies. Because of the high domestic content of the expenditure categories, this expansion can be achieved within the aggregate foreign exchange constraint. Although we have no information on capacity utilization in those sectors that would experience increased demand, past experience indicates a high supply responsiveness to favorable market demand conditions. The expenditures can also enjoy high economic rates of return, provided they are supported by adequate manpower resources. Finally, by making appropriate choices within sectoral programs, in particular in favor of routine maintenance rather than periodic rehabilitation, a more labor-intensive and less import-intensive program can be achieved.

22. The two principal examples will be local irrigation (already covered in the previous section) and rural roads. In both cases there is adequate evidence to show that rates of return are high, the use of foreign exchange low and there is potential for expansion. Specific analysis of the choice

^{7/} This is a special program of investment finance for small-scale enterprises.

between maintenance and rehabilitation will also be examined. Local roads account for a significant fraction of the general INPRES program (INPRES Dati I and II) and the example will be used to justify continued relative priority to the institutional division of resources in favor of this type of decentralized spending.

23. To further justify a relatively expansionary expenditure policy for some categories, some macroanalysis will be used. Two things will be done. First, it will be shown that through appropriate expenditure-switching amongst budget categories the proposed directions of policy are consistent with the affordable aggregate level of imports. It is planned to collaborate with the ILO Employment and Income Distribution Project in this area; they have developed a computer program that maps budget categories on to input-output categories, and so allows analysis of the direct and indirect implications of public spending. Second, since expenditure switching can lead to a higher overall level of public spending, the relationship to domestic fiscal and monetary policy will be reviewed, through decomposition of the central government budget into its foreign exchange and domestic components. (Note: this part of the work has been described here for presentational purposes; in the final product it will be reported on in the third, macro part of the work).

(c) Industrialization Strategy

24. The industrial sector currently accounts for a small fraction of total employment (9% in 1980, but 11% in Java) and incremental employment (19% between 1971 and 1980, but 24% for Java). However, a view on the influence of government policy on future industrial employment is important both because it is the fastest growing sector and because industrial policy is central to our overall policy dialogue with the Government. As with agriculture, the indirect employment effects are likely to be as important as direct effects: the sector's primary role in the economy will be the earning and saving of foreign exchange to finance the overall expansion of economic activity. For this, policies that foster efficient production should be paramount. It is within this overall view that employment issues will be examined.

25. The work in this section will aim to improve our understanding of existing trends in industrial employment and analyze the impact of public policy on these trends. First, it will develop an illustrative projection of employment at a fairly aggregate level (probably two-digit ISIC) based on the past pattern of growth in labor productivity and projected shifts in the composition of domestic demand. This is likely to show a quite low underlying growth in employment. The potential quantitative impact of policies influencing the choice of technology and product mix will then be examined. The cost of capital and the price of energy have already been substantially increased, and, for the medium and large-scale sector, there is some evidence on the potential response to these changes in the work on energy demand in industry. The principal influence on product mix is through the composition of trade in manufactures. The ILO Employment and Income Distribution Project has already done some work with the input-output tables that suggests, first, that increasing the share of exports in production can raise overall industrial employment, and second that the pattern of import substitution can have a substantial influence on labor absorption. This work will be used to

support the case we are developing for reform of the trade regime, export promotion, and the composition of large-scale industrial investment by the public and private sectors.

26. A special consideration is the apparently dualistic structure of this industrial sector, with a large number of small and cottage firms accounting for the bulk of employment, and a small number of medium and large firms accounting for the bulk of output. The future distribution of output between the two sectors will have a dominant influence on total employment. Information on the small-scale sector is weak, and it is particular difficult to assess how far small and large firms are directly in competition with each other. However, the historical experience in the late 1970s in Indonesia, backed by comparative experience from other countries, suggests that there is the potential for continued expansion of the small-scale sector in parallel with the large-scale sector, provided the overall policy environment is favorable. Traditional rural cottage manufacturing is probably declining and will continue to do so. However, the productivity of this sector was so low (returns to labor often below the agricultural wage) that this is not undesirable. The two main components of "favorable policy" are a dispersed pattern of market demand and the absence of subsidies to the large-scale sector. Direct interventions to protect small industries characteristically bring large efficiency losses. The issues in this sector are similar to small-scale production in services, and are further described in the next section.

(d) Small-Scale Enterprises

27. Small-scale enterprises in industry and services are likely to account for much of incremental employment, in both rural and urban areas, in the next decade. However, there is little scope for direct policy interventions. The thrust of the argument will be that the most effective way of encouraging the continued expansion of this group of activities is through maintaining a spatially dispersed pattern of growth of market demand. Java has four major preconditions for the continued development of a dynamic non-farm sector: a high growth of agricultural incomes for an extended period of time; a tradition of rural non-farm manufacturing and service activities; a high population density and a developed transport infrastructure. The analysis of demand linkages, combined with the policies advocated for agriculture and public expenditure will form the basis for the presentation in this section. Policy on formal credit can play a subsidiary, but still significant role. The KIK/KMKP ^{8/} program is broadly appropriate in its objectives, in particular in the relatively large share of credit for working capital purposes and for the service sectors. The case for maintenance of such directed programs would be developed, and the impact of interest rate policy reviewed.

8/ Special credit programs for small-scale enterprises.

(e) Transmigration

28. Analysis of spontaneous and official transmigration is being covered in separate, complementary economic work in the next two years. However, an understanding of the costs and implications of transmigration policy is important to the employment situation: transmigration is now reaching a level at which it has a significant impact on the growth in the rural labor force in Java and a dramatic impact in some of the receiving areas. As discussed in the descriptive section, it is planned to use a simple simulation model to show the implications of alternative assumptions on the level of transmigration program.

(f) Labor Policy in the Formal Sector

29. The key issue here is the determination and consequences of wage differentials between the formal sector and the rest of the economy. The sector accounts for a fraction of total employment, but it will be of rising significance in the long run. Also, the size of any differential is a determinant of migration, open unemployment and the demand for education. There is some evidence to suggest that unjustified differentials, and their corollary, queueing for jobs, exist now, but the current consensus is that these are not a product of either labor legislation or unions. Further progress in this area will probably require better data (see Appendix 2), but there is a case in a report on employment policy to have a review of available evidence and a statement of the issues. This would involve an estimate of the size of the formal sector, the share of government and public enterprises in the total, an updated survey of evidence on differentials and a review of the policy interventions that now influence the process of wage determination.

D. Macro Analysis of the Employment Situation

30. This, third, part of the work would review alternative scenarios for future employment. Its aim would be to put the specific analysis of policies in the context of our projections for the macroeconomy; and thereby to provide a more effective vehicle for communicating with the Government on the impact of alternative policy options. It would be analogous to the type of macro-economic projections carried out in the annual economic report.

31. It is proposed that the basic analytic tool be a simple quantitative framework for the allocation of employment, that could probably be developed on a spreadsheet. Its base would be the current distribution of employment obtained in the first part of the work. A view would be formed of the evolution of employment in certain sectors under a given set of policy assumptions, with the residual labor force being distributed between open unemployment and sectors with free access (especially in small-scale manufacturing and services). Thus the analysis of trends in labor use by activity in irrigated agriculture in Java and of the scope for raising cropping intensities through irrigation policy, will lead to an overall conclusion on future labor use in this sector. Similarly, likely employment in formal industrial production will be based upon assumptions of the implications of industrial policy on the composition and capital-intensity of industrial output. The extent to which employment problems will arise will be given by the degree to which the growth

in implied labor productivity in the residual sectors diverges from past trends. This would indicate downward or upward pressure on wages, or on incomes of the self-employed. The potential quantitative impact of policies on cropping intensities, industrialization, public expenditure, and transmigration can then be assessed. This type of analysis will not provide as neat results as a more sophisticated behavioral model. However, it is felt that a relatively simple and manageable framework will provide the most effective vehicle for utilizing the judgements formed on the impact of policies on the complex trends occurring at a sectoral level. The framework proposed is most inadequate in the treatment of labor migration, and in the impact of wage behavior on macro adjustment. With respect to migration, it has already been argued that we do not have the empirical basis to properly handle this at present. On the role of wages in adjustment, Alan Gelb's macro model allows a reasonable treatment of wage behavior, and results from this source can be used to support the qualitative arguments that we may wish to make.

Proposed Timing and Budget

Schedule

Main mission	October/November 1984
White cover	February 28 1985
Yellow cover	March 31 1985
Green cover	May 15 1985
Grey cover	June 30 1985

It is planned that the work be completed with 35 staffweeks in FY85, of which the financial equivalent of 13 staffweeks would be used for consultants.

Past Bank Work on Employment

The Bank has produced two major reports on employment in the past five years: one based on a mission led by Leiserson in 1978^{1/} and a second prepared by Lluch and Mazumdar, that was finalized in 1983^{2/}. There have also been various pieces of relevant work by Bhanoji Rao, in particular concerned with poverty and with spatial development^{3/}. There has, of course, been considerable work outside the Bank, but this paper is not intended to provide a review of the literature.

The Leiserson report provides an overall account of the pattern of employment, wages and income distribution up to about 1976. Three features of the report are of particular interest. First, it surveys the relationship between production developments in agriculture and employment. The introduction of new rice technology, in association with irrigation investment, led to a major increase in cropping intensities and so, ceteris paribus, in labor demand. However, other changes, both technological (the introduction of mechanical rice processing, and the beginnings of mechanization of rice cultivation) and institutional (a labor reorganization associated with new harvesting systems) had tended to be labor-displacing. These continue to be issues of concern, as discussed above. Second, the report adopted the view that rural and urban labor markets worked reasonably smoothly and efficiently. This was largely based on the apparent absence of sources of major distortion, or of "excessive" wage differentials. Third, it conducted a detailed analysis of the pattern and trends of distributions of household expenditure, based on the 1970 and 1976 household expenditure surveys (SUSENAS). The report also has a brief general discussion of policy issues.

The Lluch/Mazumdar report analyses the evolution of employment up to 1980, using labor force surveys, the 1980 Population Census, and both rural and urban microeconomic studies. It has three broad features. First, it puts forward the hypothesis that both rural and urban labor markets are segmented, with relatively high wages, and rationing of employment, in rice production and urban formal sector activities. This is supported by village-level studies of agricultural activities and cross-sectional analysis of a few industrial sectors. Second, as a corollary to this analysis, it develops the overall view that the employment experience in the past is better characterized in terms of the existence of surplus labor, in the sense of a highly elastic supply of labor to both rice production and formal urban

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- 1/ Employment and Income Distribution in Indonesia, Red cover 1980.
 - 2/ Wages and Employment in Indonesia, Report no. 3586-IND, July 1983.
 - 3/ See Chapter 5 and Annex II of Indonesia - Financial Resources and Human Development in the Eighties Report no. 3795-IND, 1982; Poverty in Indonesia, 1970-80, Trends, Associated Characteristics and Research Issues, January 1984; Selected Aspects of Spatial Development, Report no. 4776-IND December 1983.

production at the prevailing wages. The lack of evidence of any clear trend in real wages in the economy in the 1970s forms part of this story. Third, on the basis of a comparative analysis of the experience in other East Asian rice economies, it concludes that the "turning point" in the evolution of the labor market - the point at which the rural labor market tightens significantly to cause a sustained rise in real wages - is unlikely to occur in the near future in Indonesia. In particular the very high fraction of incremental employment in the service sectors, as opposed to manufacturing, is very different from the pattern of development in other countries.

Rao's poverty paper uses SUSENAS data to analyze changes in income and poverty incidence, by region, between 1971 and 1980. This uses a poverty line based on nutritional requirements and observed patterns of expenditure. It also reviews the impact of various poverty-related factors, including trends in employment, wages and landlessness. The spatial report includes an analysis of the pattern of interprovincial migration between the censuses of 1971 and 1980, and provincial population projections from 1980 to 2000.

Longer-Term Economic Work on Employment

The work discussed in this strategy paper will largely involve pulling together existing materials in order to develop a view on employment-related policy in the coming year. However, in some areas there is a need to take a longer-term view, and to aim to improve the quality of data collected, if analysis of employment is to be taken further. It is planned to devote some time to this question in the coming year, in order to reach some conclusions on the case for future work. Three areas deserve mention here.

First, there is the Study of Rural Labor Markets involving a resurvey of villages analyzed in the 1970s by the Agro-Economic Survey in Bogor. It is supported by the Ford Foundation and the Bank, and Dipak Mazumdar is participating in the analysis. This is a rich source of information, and the basic data appears to be of unusually high quality. There may be a case for supporting the extension of this work in 1985.

Second, there is a need for an improved understanding of the determinants of migration, in particular in view of the very large size of the planned transmigration program in the future. Currently the basic data for an aggregate analysis of migration is unavailable, because census data only adequately covers interprovincial migration. The 1985 intercensal survey could provide an opportunity for improving the quality of data, that could provide the basis for the application of sophisticated econometric techniques now available for this type of analysis. This will be reviewed with the Government.

Third, in order to get further on the relationship between formal sector wages, characteristics of workers, and the functioning of urban labor markets, better information on the structure of wages is required. The Ministry of Manpower is upgrading its annual establishment survey, with ILO support, with the first redesigned survey in the second half of 1984. It is not clear that this will immediately provide the kind of results required, but this could become a valuable source on both the determinants of wage levels, and on wage trends. The AEP Education Division also has an interest in this survey from the viewpoint of a manpower planning and vocational training. We plan to maintain contact with the work.

N o m o r : 974/DJ - B/84
Lampiran : 1 (-satu) berkas.

Jakarta, 28 Juni 1984.

Kepada Yth,
Sdr, Direktur Bina Program
Direktorat Jenderal Perkebunan
Departemen Pertanian
Jl. S. Parman
J A K A R T A.

Perihal : Program Pemukiman Transmigrasi Perkebunan.

Bersama ini disampaikan bahwa pada Pelita IV ini akan diterapkan Perencanaan Pemukiman Transmigrasi Pola Tanaman Perkebunan. Hal ini didasarkan pada ke - nyataan bahwa banyak lahan potensial tersedia yang sesuai bagi pengembangan tanaman perkebunan; baik bagi rencana pembukaan lahan pemukiman baru maupun yang telah ditempati (lahan usaha II).

Untuk ini perlu kiranya diadakan pertemuan bersama guna membahas berbagai as - pek bagi usaha pemanfaatan lahan potensial untuk Pola Perkebunan tersebut, an - tara lain menyangkut standard dan kriteria teknis, pengelolaan dan pengem - bangannya selain program latihan, pengelolaan serta masukan lain yang diper - lukan.

Sebagai informasi pendahuluan disampaikan daftar lokasi pemukiman transmigra - si dengan potensi bagi usaha pengembangan tanaman perkebunan, sebagai hasil study Direktorat Bina Program Ditjen. Penyiapan Pemukiman, didalam rangka site selection Trans II dan Trans III yang mendapat bantuan dari Bank Dunia.

Atas perhatian dan kesediaan untuk bekerjasama diucapkan terima kasih yang sebesar-besarnya.


Direktur Bina Program
Widarbo Dharmosusilo.
NIP : 110006959.

Tembusan disampaikan Kepada Yth :

1. Bapak Dirjen. Penyiapan Pemukiman (sebagai laporan)
2. Bapak Dirjen. Perkebunan
3. Sdr. Kepala Biro Perencanaan.
4. ----- A r s i p -----

Ir. Astri

LOKASI-LOKASI SESE '82 (TAPAS III)
 YANG DIREKOMENDASIKAN UNTUK TANAMAN PERKEBUNAN

PROPINSI	LOKASI	WPP/SKP	PHASE		DAYA TAMPUNG	LAHAN UTAMA II CADANGAN UNTUK TREE CROP (Ha)	KETERANGAN
			II	III	TANAMAN PANGAN (KK)		
RIAU	1. LANGGAM II	Vib/A	x	-	1.944	4.374	
	2. SUNGAI ANTU	XXIa/A	x	-	1.670	1.977,5	
KALIMANTAN BARAT	3.	B	x	-	1.270	2.860	
	4. SUKAMANDANG	X/E	x	-	1.860	4.195	
	5.	F	x	-			
KALIMANTAN TENGAH						13,406	

LOKASI-LOKASI SESENGKUPAN
YANG DIREKOMENDASIKAN UNTUK PERKEBUNAN

NO	PROPINSI	LOKASI	WPP/SKP	PHASE		DAYA TAMPUNG	POTENSI LAHAN	KETERANGAN
				II	III	TANAMAN PANGAN (KK)	PERKEBUNAN (HA)	
I.	ACEH	1. Keudetenom	Vb/B	x	-	0	12.793	<div style="font-size: 2em; font-weight: bold;">53975</div> <div style="font-size: 1.5em; font-weight: bold;">42.642</div> <div style="font-size: 1.5em; font-weight: bold;">47234</div>
		2.	Vb/C	x	-	0	9.800	
II.	RIAU	3. Bangkinang	X/B	x	x	1.105	11.890	
		4.	X/D	x	x	615	800	
		5. Tebing Tinggi	XIII/E	x	-	2.843	586	
		6. Langgam	VIa/B	x	-	3.065	2.955	
III.	BENGKULU	7. Tals	IX/A	x	x	350	11.750	
IV.	SUMATERA SELATAN	8. Klingi	IV/C	x	x	1.243 <i>0221</i>	3.400	
V.	KALIMANTAN BARAT	9. Nanga Merakai/Sera ngas.	XVIIa/A	x	-		2.060	
		10.	B	x	-	8.040	6.540	
		11.	C	x	-		2.370	
		12.	D	x	-	0	1.070	
		13. Sanggau/Sekadau	XVIa/B	x	-	0	7.450	
		14.	D	x	-	0	7.400	
		15. Beluas/Sanggau Ledo	III/C	x	x	500	10.490	
		16.	D	x	x	900	9.854	

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101208

LOKASI-LOKASI SPESIES DAN RASAS
YANG DIRKOMENDASIKAN UNTUK PERKEBUNAN

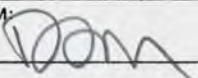
NO	PROPINSI	LOKASI	WPP/SKP	PHASE		DAYA TAMPUNG	POTENSI LAHAN	KETERANGAN
				II	III	TANAMAN PANGAN (KK)	PERKEBUNAN (HA)	
V.	KALIMANTAN BARAT	17. Nanga Tayap	XIIIb/A	x	x	1.187	12.140	
		18.	B	x	x	1.023	9.320	
VI.	KALIMANTAN TENGAH	19. Muara Teweh	XIXa/A	x	-	0	11.700	
		20.	B	x	x	400	11.600	
		21. Teweh Timur	III/A	x	-	1.650	11.075	
		22.	B	x	-	2.735	14.840	
		23.	C	x	-	855	12.100	
		24.	E	x	-	925	7.625	
		25. Kumai	IXa/C	x	x	692	4.500	
		26. Kumai/Kondang	IXb/E	x	-	0	9.855	
		27.	F	x	x	1.111	28.550	
		28.	G	x	x	1.008	6.925	
		29. Hanjalipan/Kuala-Kuayan	VIIb/C	x	x	1.008	6.925	
30.	D	x	x	628	3.278			
31.	E	x	-	1.500	11.800			
32.	G	x	x	1.462	10.800			
33.	H	x	-	1.100	2.730			

DAFTAR LOKASI PERKEBUNAN
YANG DI REKOMENDASIKAN UNTUK PERKEBUNAN

NO	PROPINSI	LOKASI	WPP/SKP	PHASE		DAYA TUMPUNG	POTENSI LAHAN	KETERANGAN
				II	III	TANAMAN PANGAN (KK)	PERKEBUNAN (HA)	
VIII	KALIMANTAN TIMUR	51. Muara Ancalong	B	x	-	0	6.237	Masalah HPT
		52.	C	x	-	1.632	11.960	
		53.	D	x	-	0	6.032	
		54.	E	x	-	4.250	3.800	
IX	SULAWESI TENGAH	55. Kolonedale	XIV/A	x	-	0	6.500	
		56.	B	x	-	0	4.500	
		57.	D	x	-	0	6.123	
		58. M a m o	XIX/A	x	-	0	7.200	
X.	SULAWESI SELATAN	59. Kaluku	VII/C	x	-	0	1.200	
XI	MALUKU	60. Pasahari	XI/D	x	-	1.950	2.950	
XII	IRIAN JAYA	61. Sumianggar	XIIb/C	x	-	0	6.700	
		62.	D	x	-	1.100	4.400	
		63. Apauwer	XIIc/A	x	-	1.940	5.400	
		64. Pantai Timur	XIVc/A	x	-	950	6.100	
		65.	B	x	-	0	2.650	
		66. Igebob	XXIVc/H	x	-	0	7.300	
		67. S e l o w	XXIIIa/B	x	x	265	12.425	
68. W a r e n	XIa/B	x	-	300	6.200			

...
 YANG DIREKOMENDASIKAN UNTUK PERKEBUNAN

NO	PROPINSI	LOKASI	WPF/SKP	PHASE		LAYA TAMPUNG	POTENSI TANAH	KETERANGAN
				II	III	TANAMAN BANGUN (KK)	PERKEBUNAN (HA)	
VI	KALIMANTAN TENGAH	34. Nanga Bulik	XI/A	x	-	0	9.725	Masalah HPT
		35.	B	x	-	2.340	16.990	
		36.	C	x	-	2.870	8.515	
		37.	D	x	x	1.095	4.825	
		38. Katingan Tengah/ Tumbang Samba	V/A	x	-	0	23.740	
		39.	B	x	-	0	18.375	
		40.	D	x	-	0	14.060	
		41.	E	x	-	0	14.460	
VII	KALIMANTAN SELATAN	42.	F	x	-	0	3.100	
		43. Sungai Kupang/Klum pang	IV/C	x	-	1.295	4.800	
		44. Pamukan	II/A	x	x	1.125	4.800	
		45.	B	x	x	1.150	4.252	
VIII	KALIMANTAN TIMUR	46.	D	x	-	4.435	13.705	
		47. Tanjung Redep	VIII/A	x	-	0	7.000	
		48.	E	x	-	0	12.300	
		49.	F	x	-	2.853	7.600	
		50. Muara Ancalong	XII/A	x	-	2.416	4.805	Masalah HPPA

ROUTING SLIP		DATE:	
NAME		ROOM NO.	
Ms G. DAVIS			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS:			
FROM: 		ROOM NO.:	EXTENSION:

NOF

GOVERNMENT - REGULATIONS

THE DESIGNATION OF THE PROVINCE OF EAST TIMOR AS A TERRITORY FOR THE DEVELOPMENT OF TRANSMIGRATION SETTLEMENTS (Presidential Decree No. 45/1984 dated July 26, 1984)

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that within the framework of supporting the development of the territory of East Timor, exemplary farmers from various provinces as areas of origin are needed;
 - b. that based on the demand for manpower it is necessary to designate the province of East Timor as a region where exemplary farmers are stationed, which is referred to as the territory for the development of transmigration settlements;
 - c. that with the considerations in points a and b above and pursuant to Article 11 paragraph (1) of Law No. 3/1972, the designation of the territory for the development of transmigration settlements shall be stipulated by a presidential decree.

- In view of :
- 1. Article 4 paragraph (1) of the Constitution of 1945;
 - 2. Law No. 3/1973 on basic provisions concerning transmigration (Statute Book of 1972 No. 33, Supplement to Statute Book No. 2988);
 - 3. Law No. 5/1974 on the principles of regional administration (Statute Book of 1974 No. 38, Supplement to Statute Book No. 3037);
 - 4. Government Regulation No. 42/1973 on the realisation of transmigration (Statute Book of 1973 No. 52, Supplement to Statute Book No. 3016);
 - 5. Presidential Decree No. 1/1973 on the stipulation of the islands of Java, Madura, Bali and Lombok as areas of origin of transmigration;
 - 6. Presidential Decree No. 45/M/1983 on the establishment of the Fourth Development Cabinet.

DECIDES :

To stipulate : THE PRESIDENTIAL DECREE CONCERNING THE DESIGNATION OF THE PROVINCE OF EAST TIMOR AS A TERRITORY FOR THE DEVELOPMENT OF TRANSMIGRATION SETTLEMENTS.

FIRSTLY : The province of East Timor shall be designated as the territory for the development of transmigration settlements.

SECONDLY : The realisation of the stationing of exemplary farmers in the province of East Timor, originating from other provinces as well as from East Timor itself, shall be further regulated by the Minister of Transmigration based on the proposal of the Governor of the province of East Timor through the Ministry of Home Affairs.

THIRDLY : This presidential decree shall come into force as from the date of stipulation.

Stipulated in Jakarta
On July 26, 1984

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,
sgd.

SOEHARTO

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THE ESTABLISHMENT OF THE COUNCIL FOR THE DEVELOPMENT AND MANAGEMENT OF STRATEGIC AND SECURITY/DEFENCE INDUSTRIES (Presidential Decree No. 59/1983 dated November 15, 1983)

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- 1. that within the framework of developing the national industry, especially industries of a strategic nature including the security/defence industry, the fostering and management of the aforesaid industries should be realised in an integrated, efficient and effective manner so that they can render full support to the national development.
 - 2. that in order to enable such integrated, efficient and effective fostering and management, it is necessary to set up a council for the development and management of strategic security/defence industries.

In view of : Article 4 paragraph (1) of the Constitution of 1945.

Ki Cenas,
a paper taken in
the way

THOUGHTS, QUESTIONS AND PUZZLES AFTER THE SYDNEY UNIVERSITY IRIAN JAYA SEMINAR
(21.8.1984)

1. The events of February in Jayapura, the subsequent (and in part consequent) exodus of 9,000-10,000 refugees, the death of Arnold Ap, the Jakarta-Papua diplomatic conflict, with its Jakarta-Canberra undertones, the Indonesian Journalists' Association's Irian Jaya Seminar in Jakarta in May, the attention paid to PNG's case at the ASEAN meeting in Jakarta in July, and the recent discovery of a reported 54 dead among the refugees in one of the border camps -- all of this means that we are in a new phase in the politics of the West Irian/West Papua issue. A Pandora's box has been opened, a problem elevated to new saliency.

But it is not easy to evaluate how high the cost is that Jakarta is sustaining as a result of these recent developments. It is not easy to know how big the issue is becoming outside PNG and Australia. The statement by the British parliamentary group seems significant, and there are beginnings of interest in the US Congress. BBC World Report has often referred to Irian developments and so has Radio Nederland. UNHCR involvement and the forthcoming (early September) visit by an ICG mission (mainly Australians) to the refugee camps are likely to raise the issue's saliency. There seems to be a lot of interest in Vanuatu and perhaps also in some of the other Pacific min-states.

I have no sense of how much critical concern with the issue there is in IGGI-World Bank circles, but that could well be or become a source of difficulties for Jakarta, especially in view of the fact that the World Bank was forced to issue a set of guidelines on rights of indigenous peoples in the development process a year or so ago.

One factor that could raise the importance of the issue outside PNG and Australia is the arrival in Moresby or Australia or the US, Europe or other parts of the Pacific of articulate spokespeople from the Jayapura intellectual community, people who are now in the Vanimo camp but probably won't be able to be kept quarantined there much longer.

2. On the other hand the issue may begin to recede if no more refugees come across, or no sizeable numbers, and if a large fraction of the 9,000-10,000 who have crossed the border since February are repatriated. What are the main factors likely to determine that? The crucial one, almost certainly, is whether Jakarta pushes transmigration, especially in the border areas. There is speculation that some of the people who came across in the last few months, especially in the South, came from areas which sections of Indonesian officialdom were keen to clear for the transmigration program. I don't know how to evaluate that. But the major nexus between transmigration and the refugee exodus has to do with the ways in which transmigration aggravates Papuan resentment of Indonesian authority and provides OPM with new recruits, new determination, etc., and the way this leads to more military activity in the border areas, more burning of houses and gardens by ABRI, and so on.

3. One other factor that could be important in relation to whether more big groups of refugees leave the territory is OPM strategy, the strategy of particular OPM segments. Thinking of OPM divisions in terms of a simple dichotomy -- Rumkorem vs Prai, or Rumkorem vs Jouwe, or Biak vs the rest or a Biak-Serui circle vs a Jayapura and hinterland circle -- may well be misleading, as it seems the movement's local leaders have a lot of autonomy and that their commitments to the men with the well-known names are mainly provisional. But the picture in terms of the conventional dichotomy Nyaro, the new principal leader, is heir to Prai leadership more than the Rumkorem one. He may well have been against the whole movement which culminated in what Geoff Heriot calls the would-be uprising February. What is clear is that a large fraction of the Jayapura intelligentsia people who came across after the failure of that uprising are Biak-Serui people and that many of them were part of the Koreri movement revival at Cenderawasih University, a movement of which the charismatic Arnold Ap, who was from Namfur near Biak, was a principal leader. My speculation is that Nyaro may well have been against the exodus of refugees and may continue to be, that he may see it in his interests to concentrate on building the movement inside the country rather

than on adding further to its now already much heightened international visibility and legitimacy.

4. One important element of the argument about the political cost Jakarta has been sustaining over this issue relates to internal legitimacy. There is something unprecedented about 10,000 Indonesian citizens voting with their feet to leave the Republic -- including so many lecturers, students, civil servants and soldiers. It is hard to think of any previous refugee exodus from Indonesia which has been at large -- apart from the exodus of Dutch people after 1949 and 1957 and ^{of Chinese} in the years after 1965. And this one is different from the previous refugee outflows from Irian in that it includes a big intelligentsia component, has had more international media attention, and has had more attention in the Indonesian media. I am amazed by the frankness of many of the recent accounts of Irian Jaya and border problems in the Jakarta prestige media.

My sense is that it must strike many politically significant Indonesian that something is seriously wrong, with Suharto rule, or ABRI rule, or Javanese rule, if a situation is allowed to develop which challenges the widespread conviction that Indonesia has been successful in nation-building. The doves within the regime who want to tread softly in Irian are presumably arguing that to allow things to get still ~~better~~ on the PNG border is to hand advantages to the opposition, the Petisi 50 group, the anti asas tunggal opposition and everyone else who is arguing for diversity and against the trend towards more concentrated Suharto/Javanese domination.

5. One immediate question is whether the PNG government will make a serious attempt to push large numbers of the refugees back across the border. The Indonesian and PNG officials at Madang last week evidently worked out a repatriation plan and some people seem to expect that a sizeable fraction of those who have crossed since February will agree to go back. I can see why the PNG government would like to see a large number of those people leave its territory, and I can see why Australia might want to push for that. But the

political resistance within PNG will probably be strong. So it could be that it effectively thwarts the repatriation plans.

6. Who in Jakarta would gain if the repatriation plans were thwarted?

Presumably it is the doves within the regime who are particularly keen to have the plans succeed. They are the ones who are concerned with reducing the international public relations cost of the whole episode and they presumably hope that the rate of transmigration can be kept low to avoid new episodes of the kind we have had since February. But there could well be some in the dove camp who would welcome the defeat of the repatriation project -- as evidence of the strength of external opposition to what the government has been doing in Irian and hence of the need for reforms of a really far-reaching kind.

7. For the moment there are few indications that Jakarta is pushing a

really hard line in Irian. (And various comings and goings of Mochtar the Portuguese, Perez de Cuellar and his Timor aides, and Hayden suggest that there are moves towards some kind of settlement in Timor once more.) The increased importance of Interior Minister Supardjo Rustam in Irian affairs may also be a sign of softening. All that suggests that various international pressures to moderate Jakarta's hawkishness in Irian have begun to be effective. (I am thinking a few signs that Australia is getting tougher, and also of the reports that the Somare government was heartened by the attention various other ASEAN Foreign Ministers and Shultz paid to Namaliu's grievances at these meetings in Jakarta last month.) To the extent that that is true one might want to disregard the more dramatic scenarios: of expanded refugee flows, expanded OPM military activity in border areas, bigger and deeper ABRI incursions into PNG territory, and increasing blatant and humiliating forms of pressure and intelligence operation intended to make PNG into a ^{client state like} Southern Lebanon and various of the states on South Africa's borders.

8. But there are some powerful factors in Jakarta operating against cautious

One of these is the apparently high level of commitment of the government as a whole and of Suharto personally to transmigration and to high

targets. -- It is said that the President has been resistant to the attempts of foreign envoys to persuade him not to push transmigration too hard. It may well be that he sees transmigration as a vintage example of the New Order's ability to get things done which earlier governments could only make promises about. And there are powerful vested interests associated with the program, especially the interests of officials who derive large sums of kickback money from the associated construction projects.

So it would probably be hard for the President to scale down the Irian side of the program to be extent that a dove strategy might require. To be effective in relation to the Irianese and ^{to} international opinion a dove strategy might well require that no more than 70,000 people be brought into the province in the period of the 84-89 plan, about as many as under the 79-84 one (and one-tenth of what the present plan seems to call for!)

A second major difficulty about dovish strategies in Irian is their implications for the position of Benny Moerdani. I personally believe that it is within Suharto's power to downgrade Benny and the groups with which he works. But a move of that kind would represent a reversal of a ten-year-old pattern of personnel policies. Benny has been the central figure of Suharto's policies of intra-army political management since 1974, and especially ^{of} his policies of managing generational transition.

9. So there is no reason to assume that it is impossible that the regime will head towards a Capetown-Tel Aviv way of relating to PNG. But the factors operating against that course are powerful. On the international side there would be American political pressures, some Australian ones, possibly including the American-blessed use of Australian troops in PNG, and pressures from within ASEAN. If one looks at it in terms of Suharto's options there seem to me to be very strong reasons for holding the line against aggravated Moerdanization of that kind: the President's self-image as a moderate in international affairs, unlike the reckless trouble-maker Sukarno, his desire

to play a bigger role in Third World councils, his fear that heightened levels of international condemnation could embolden his internal enemies, and above all perhaps his fear that these enemies could be emboldened by tough-line policies failing. Conclusions drawn from what the Malvinas adventure did for the military rulers of Argentina may well be a significant restraining factor.

10. Is it possible that the whole problem could be solved in the not too distant future? One can usefully think about this in terms of three possible kinds of solution, the effective suppression, neutralisation, demoralisation and/or insulation of the West Papuan nationalist movement, an OPM victory issuing in a West Papuan state, and some sort of mixed arrangement involving far-reaching concessions by Jakarta and perhaps the mediation of ASEAN or an 'ASEAN plus' or ASEAN-Pacific grouping of states. This third possibility seems to me the most likely of the three. It is not easy to think of precise precedents for it. But the 'special territory' status which Jakarta conceded to Aceh in the late 50's to bring that region's rebellion to an end is a partial pointer, and the post-Mao reforms in Tibet are another. Some of the formulas which have recently been considered for the settlement of the East Timor problem -- particularly perhaps the 'Fretilin administration' idea, presumably involving the Indonesian flag flying, but the Indonesian military presence being reduced to token levels -- could well be relevant, especially if a stable settlement is actually achieved in East Timor. There are undoubtedly lessons to be learned from the many formulas canvassed by Haig and others at the time of the Falklands/Malvinas war. And presumably also from formulas which have been considered in relation to such internal/international conflict situations as Cyprus and post-1983 Sri Lanka.

11. Moving towards a mixed arrangement of that kind would not of course be easy. It would require major concessions by Jakarta, the abandonment of transmigration to West Irian and an acknowledgement of past

failures, which would cost the government enormous prestige. Perhaps it is true that Suharto himself would never agree to anything of this kind. But it is important not to exaggerate the extent to which the government is committed to a 'swamp the Papuans' strategy in relation to Irian. I am convinced that the decision to opt for that 680,000 figure for transmigrants to be taken to the province in the present (1984-89) plan was not primarily motivated by ^a political strategy of that kind. More important was the fact that Irian became the area onto which a contradiction was offloaded, the contradiction between a high-level determination to increase the overall rate of transmigration out of Java by 50% in the present Plan and a ^w lower-level awareness that it has become extraordinarily difficult (legally, politically, agriculturally, financially) to find places for transmigrants in Kalimantan, Sulawesi and especially Sumatra.

12. One other reason for being moderately hopeful that a 'mixed arrangement' of some kind might become politically feasible at some point in the next few years has to do with the character of West Papuan or Irian nationalism. This nationalism is a complex and fascinating phenomenon. In one sense virtually the whole of the ^{Papuan} community has been attracted to it. Its appeal is manifestly powerful throughout the whole range of the province's ethnic communities, its symbols black skin and frizzy hair, its unifying focus transmigration and army abuses.

But the relationship between this nationalism and its principal organisational vehicle, the OPM, is not a simple one. In some senses the OPM speaks for West Papuans' nationalism as a whole. But there is also a sense in which this nationalism is much broader in its scope than the revolutionary organisation, and its leadership more agnostic in its strategic thinking.

The late Arnold Ap epitomizes the complex, puzzling aspects of this relationship. On the one hand he seems to have been sympathetic ^{to} the OPM. Seth Runkorem, the OPM leader now exiled in Greece, reportedly claims he was

a minister in his cabinet. But there is no evidence that he was committed to the OPM, and some indications that he saw advantages in keeping multiple options open. He was clearly committed to the policies of cultural nationalism. He was evidently a key figure in the revival of the Koreri Movement, a previously Biak-centered millenarian movement going back to 1855 of which a new phase was started at Cenderawasih University in 1982. He was active in the Evangelical Church of Irian Jaya. And he knew how to get his ideas out to the prestige media and sympathetic NGO's in Jakarta.

As I see it, the future of the OPM remains uncertain. So far it is still a weak organisation. It has had little success in acquiring arms from outside the territory. Its overseas leaders continue to criticise ~~intensely~~ against each other and there are some signs that similar divisions continue to hamper the effectiveness of the organisation within West Irian and in the border areas. The role within it of intellectuals aware of the complexities of international politics ~~has been growing but~~ remains small. It may grow rapidly if many of the people who are now in the Vagimo camp turn to full-time OPM work, especially if they opt to go into the jungle. And there could be a qualitative leap if some of this group succeeded/ ~~particularly~~ in organising the acquisition of sizeable quantities of arms for the OPM. But it could well be that the intellectuals who are now in the Vagimo camp will be more attracted to political strategies than to military ones.

13. In the last instance it may well be that the Irian issue is less intractable than it seems. Since the announcement of that very high ~~target for~~ transmigration target for the current Indonesian five-year plan, and especially since the murder of Ap, there has been a tendency to assume that ~~the confrontation between Papuan nationalism and Jakarta~~ an unbreakable deadlock has set in between Jakarta and the nationalism of the Papuans. But it is arguable that quite a few states and groups have an interest in exploring paths towards a settlement. ASEAN as an institution

would grow in strength if it could be part of the process whereby the border conflict were settled. It might be able to achieve this by working towards closer relations with its Pacific quasi-counterpart, the South Pacific Forum. A second nexus which could conceivably facilitate a settlement is the one between the Bappenas technocrats in Jakarta and their backers in the World Bank and the Inter-Governmental Group for Indonesia. Thirdly there are the church networks. The Protestant and Catholic churches are enormously powerful within West Irian -- with 500,000 and 300,000 members respectively -- and each is ethnically Papuan to a very high degree. In each there is a natural convergence of interests between the local Irianese or Papuan components and the international actors, and potential for the local-global elements of the network to put pressure on the state-level elements. Finally there is a set of networks involving lawyers and rule of law political organisations within Indonesia and outside.

ROUTING SLIP		DATE: 8/27/84	
NAME		ROOM NO.	
Ms. Gloria Davis		E-624	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS:			
FROM: Mark Baird		ROOM NO.: A-638	EXTENSION 72425

OFFICE MEMORANDUM

Sahar... Lee
ms

DATE July 18, 1984

TO Files

FROM Michael Walton, (AEAIN) *mw*

EXTENSION 74557

SUBJECT INDONESIA: Migration Analysis

1. We had recently raised with the Government the question of using the 1985 intercensal survey (SUPAS) to obtain adequate data for the analysis of migration. On this visit I participated in several discussions in BPS (with Soegito, Sigit, Mamas and Poedjastoeti) and Bappenas (with Sayuti Hasibuan).
2. Sayuti Hasibuan was keen on further analysis to improve the understanding of determinants of migration. His own interests concern the determinants of urbanization, the level of spontaneous and official transmigration, and the relationship between these. He suggested forming an inter-departmental group to discuss issues of relevance to policy, and we attended a first meeting of this group. On this occasion the discussion was more concerned with practical than policy issues. It was agreed that the most practical approach would be to include enough questions in SUPAS 1985 to identify migrant households and then to have a more detailed follow-up survey (see below). Sayuti prefers to have a local institution involved in the analysis of the results, with technical assistance and/or the participation of outside experts.
3. Discussions in BPS revolved around the issue of obtaining the right kind of information to analyze the relationship between migration and household characteristics. One of the principal problems concerns identifying the place of origin (and its characteristics) of intra-provincial migrants. The censuses have only included questions relating to the province of previous residence, largely because BPS have found it difficult to obtain reliable answers to questions relating to Kapupaten or rural/urban character of the place of origin. However it was felt that with an appropriately designed questionnaire, focused specifically on migrants, it should be feasible to obtain reasonable information. This would, however, require a special follow-up survey of migrant households, as well as a matching group of non-migrant households.
4. The sample for the 1985 SUPAS appears to be sufficiently large to provide an adequate sample frame for a follow-up survey. The total sample size is 150,000. According to the 1980 census about 7% of households were inter-provincial migrants. Since this excludes much of rural-urban migration, the total proportion of migrants would probably be at least 10%, and possibly significantly higher. Thus there would be around 15,000 migrant households identified by the sample as it is presently designed. This appears reasonable, but there may be practical difficulties if the identified households are highly scattered - this could raise the cost of a follow-up survey. (Current household surveys cost \$15-20 per household). A variation on this approach is to use the

household listing in SUPAS as the sample frame. The SUPAS sample is obtained by selection of geographic blocks of about 100 households, using the 1983 agricultural census as the frame. Enumerators obtain a listing of all the households in the blocks, and then select ten. Sigit suggested that simple migration questions could be asked of all households in the block.

5. Questions on the following are in the current questionnaire for SUPAS:

province of birth

place of current residence

province of residence in the past five years

province of previous residence

duration of residence in current place

reasons for migrating.

The key gap, as noted above, concerns intraprovincial movement. Given the problems of identifying Kabupaten of origin it may be necessary to simply ask whether a household has moved between villages, in order to identify migrants.

6. Despite the problems of the main available data sources, some analysis of information now being processed could be useful. In particular both population registration work in East Java, and the 1982 employment survey (part of SUSENAS for this year) have questions on intraprovincial movements.

7. I suggest we write to Sayuti and BPS in the near future, summarizing how we see the situation with respect both to additional questions in the 1985 SUPAS and the design of the follow-up survey. I will get advice from Gordon Hughes and others on this. I certainly think there is the potential for a valuable research project here. Whether or not we provide any funding, it would be useful to remain involved in further developments.

cc: Messrs. Baird, Morrow (AEAIN), Khalilzadeh-Shirazi, Kilby (RSI)
Mazumdar (DRDEI), Subido (AEPA4)
Ms. Hamilton (AEAIN)

MWalton:hea

Davis

September 15, 1984

Prof. Sayuti Hasibuan
Deputy Chairman for Manpower & Population
Affairs
BAPPENAS
Jakarta, Indonesia

Dear Prof. Hasibuan:

Re: Migration Analysis and the 1985 SUPAS

Following our meeting in July, I have reviewed the issues here, and I am now writing with some specific suggestions for your consideration.

The starting points of our review here were two principles that I believe were agreed upon in the meeting in Jakarta. First, the eventual concern of any analysis is with understanding the relationship between government policy and two important processes in Indonesia's development - the process of transmigration from rural Java to the Outer Islands and of urbanization throughout Indonesia. Second, it is impractical to attempt a full-scale analysis within the SUPAS survey, since this would be too costly, and the preparation for the survey is now well advanced. However, BPS would be prepared to make limited changes in the SUPAS questionnaire, and these could be pre-tested in early 1985. This should, at a minimum, provide a good sample frame for a possible follow-up survey of migrants (and non-migrant control groups).

We obtained some advice on the matter from Gordon Hughes, Professor of Economics at Edinburgh University, who has extensive experience in the analysis of migration. Attachment A gives some suggested additional questions for the 1985 SUPAS that are the product of discussions between him, Gloria Davis of the World Bank, and myself. These involve extensions to the existing five questions relating to migration in the draft questionnaire. These should provide immensely valuable information on the process of migration from SUPAS itself, and, in our judgment, the additions should not overload the overall questionnaire or the preparation process for the survey. And, if the Government decides to go ahead with a follow-up survey, the results should provide an excellent sample frame for that.

The rationale for the questions is given in the attached explanatory notes. As discussed in the meeting in Jakarta, in order to ensure all migrants are identified in the survey, it will probably be necessary to ask whether individuals have moved between desas. We also considered that it would be worthwhile to include questions on the kabupaten of present and previous residences. This is necessary for the estimation of migration flows within provinces, and for a proper analysis of urbanization and the

relationship between flows and regional characteristics. I am aware that BPS has reservations on questions relating to kabupaten of residence. However, we consider that, even with a less than complete response rate, statistically sound results can be obtained, and, in combination with the questions on inter-desa and inter-provincial movements, they will provide valuable information to BPS on the nature of the problems with this type of question.

We also considered the question of temporary or circular migration, that is now an important phenomenon in Java. In our view this should best be treated separately from permanent migration of households and included in the employment part of a questionnaire. We give, in Attachment B, some suggested questions that should provide valuable information on the level and geographic distribution of these temporary movements.

With respect to a follow-up survey, we have identified a detailed household survey on Malaysia containing many questions on migration conducted in 1976-77, that could be of great use in the design of a survey in Indonesia. I plan to bring the migration component of questionnaire from this survey on my next visit for your information. It would also be important to review the design and coverage of the recent LEKNAS survey in East Java, Bali and South Sulawesi. If you decide to proceed with a follow-up, we would be happy to help in identifying experts who could assist in survey design, if you wish.

I hope the proposed additions to SUPAS are of use. I will be in Jakarta from September 27 for two weeks, and would be available to meet with you or BPS to discuss them. I am copying this letter to Mr. Soegito of BPS.

Yours sincerely,

MW

Michael Walton
Economist, Indonesia Division
Country Programs Department
East Asia & Pacific Region

cc: Mr. Soegito M.A., BPS

Cleared with: Mr. Khalilzadeh-Shirazi
Ms. Davis ✓

cc: Messrs. Baird, Calderisi, Morrow (AEAIN)
Kilby (RSI), de Tray (DRDLS), Mazumdar (DRDEI), Gordon Hughes
Ms. Hamilton

Proposed Questions on Migration for SUPAS 1985

1. (a) In which province and kabupaten were you born?
Province:
Kabupaten:
(b) Was the area where you were born a
 1. Village or rural area
 2. Small town
 3. City
2. What is your mother tongue?
(precode languages/linguistic groups)
3. (a) Were you living in the same area (desa) at the age of 18?
 1. Yes
 2. NoIf no, ask
(b) Was that a
 1. Village or rural area
 2. Small town
 3. City
4. Have you moved, i.e., changed your place of normal residence, since you were 18 years old
 1. Yes
 2. NoIf no, skip to next section.
5. How many times since you were 18 years old have you moved.
 - (a) from one desa to any other desa?
Number:
 - (b) from one kabupaten to any other kabupaten?
Number:
 - (c) from one province to another province?
Number:

[Note to interviewer: the number given in (c) should be less than or equal to the number given in (b) that should in turn be less than or equal to the number given in (a)]

6. How long ago was the last time that you moved: (record in years, 1 year = 0)

- (a) from one desa to any other desa?
years:
- (b) from one kabupaten to any other kabupaten?
years::
- (c) from one province to another province?
years:

[Note to interviewer: the number of years given in (c) should be greater than or equal to the number of years given in (b) that in turn should be greater than or equal to the number of years given in (a)]

7. Where were you living before your last move:

- (a) from one desa to any other desa?
Province:
Kabupaten:
Rural area, small town or city:
- (b) from one kabupaten to any other kabupaten?
Province:
Kabupaten:
Rural area, small town or city:
- (c) from one province to another province?
Province:
Kabupaten:
Rural area, small town or city

[Note to interviewer: remind the respondent of the number of years ago implied by the answers to Q6(a) - (c) to help identify which move is being referred to).

8. Have you ever been a transmigrant assisted by the government?

9. Are you now living in a village which is still or ever has been a transmigrant settlement?

10. What was the main reason for your last movement from one desa to any other desa?

[Precode reasons]

Proposed Questions on Migration: Explanatory Notes

1. Questions which ask respondents to describe their place of birth and other places of residence in terms of the categories (a) village or rural area, (b) small town, and (c) city, have been included because they will provide information which is essential for assessing the impact of migration on the rate of urbanization in Indonesia. In particular, it will enable those analysing the data to investigate whether rural-urban migration typically conforms to a pattern of movement from rural areas to small towns and then to cities, or whether movement from rural areas to cities predominates. Figures on the relative importance of these two migration patterns will make it possible to assess the impact of changes in migration rates and economic conditions on rates of population growth of cities and smaller towns, which is clearly important in making decisions about the distribution of infrastructure investment.

2. It is not envisaged that the respondents will classify their places of residence in terms of formal statistical definitions of 'small towns' and 'cities'. A subjective classification will be quite satisfactory for the expirical work envisaged and may, indeed, be more revealing than a rigid formal one, since it is useful to understand how migrants themselves describe their movement patterns. Interviewers should be instructed to provide simple guidance concerning the distinction between small towns and villages, for example that a town will have a secondary school.

3. The questions ask respondents about movement and migration in terms of a sequence of geographical definitions. For purposes of analysis the most useful definition of migration is likely to be movement from one kabupaten to a different one. We believe that a restriction of migration to inter-provincial movement is unduly limiting, since it masks substantial movement between rural and urban areas within provinces and also, we suspect, movement between rural areas within provinces. On the other hand we recognise that respondents in some parts of the country may not be able to identify their kabupaten of current or past residence easily. Hence, we have designed the questions as a sequence of prompts which will elicit as much information as possible and will permit analysis of the data at various levels. This will also make it possible to assess the extent of local movement relative to longer distance migration.

4. We believe that respondents will have little difficulty in answering the questions on inter-desa movement and inter-provincial migration. For Javanese residents there should also be few difficulties in identifying the kabupaten of past or present residence, so that concern about non-response must be focused on the Outer Islands. Even if this is moderately high, the information yielded by these questions for Java alone will be extremely valuable and it is quite probable that there will be little bias in the pattern of non-response so that appropriate corrections can be made for it in analysing data for the Outer Islands. Further, the inclusion of the questions concerning inter-kabupaten movement and kabupaten of residence will provide a much better basis in experience for the design of future surveys and analyses of migration.

5. The questions do not include an explicit enquiry concerning migration over the past five years. However, this information can be readily obtained from the data collected from each respondent, so that there will be no difficulty in producing statistics on 5-year migration for comparison with previous surveys. The advantage of the questions as they have been formulated is that they provide much more complete information concerning repeat and return migration.

Attachment B

Proposed Questions on Circular Migration/Employment away from Home

(These would be included in the Employment Section of the questionnaire)

1. Is this your normal place of residence?

1. Yes 2. No

If yes, ask

2. (a) Have you worked away from home for at least 4 weeks at any time during the past year?

1. Yes 2. No

If yes, ask

(b) Where were you working?

Province:

Kabupaten:

If no to Q1, ask

3. (a) Where is your normal residence?

Province:

Kabupaten:

(b) How many weeks have you spent working away from your normal residence in the last year?

Number of weeks:

OFFICE MEMORANDUM

DATE September 10, 1984

TO Messrs. Jim Baldwin (AEP), Rober Cālderisi, Dan Morrow, Michael Walton (AEA),
Roy Hewson, J-P. Baudelaire (AEPA4), Ms. Chita Subido (AEPA4)
FROM Gloria J. Davis, AEPA4

EXTENSION 74215

SUBJECT Transmigration Sector Review

1. First draft, grateful for your thoughts.
2. I propose to circulate covering memo including proposed timetable and table of contents only, i.e., 3 page initiating brief - comments?

GDavis:shp

TRANSMIGRATION SECTOR WORK
OUTLINE OF PROPOSED REPORTS

Mantano

*freely spont.
partially assisted*

Repetitive V

Part I: Spontaneous Transmigration

Questions to be addressed

1. What are the dimensions of spontaneous movement?
2. What causes such movement and what is its impact?
3. What is the Ministry of Transmigration currently doing?
4. What can be done to promote spontaneous movement?

TOPIC	DATA SOURCE
Spontaneous Transmigration	
A. Dimensions of Spontaneous Movement to Date	
1. Amount of sponsored movement plus natural population growth	Data to be collected on sending and receiving provinces of all sponsored migrants plus age structure (in process) Demographic modeling by Patel (agreed)
2. Known movement under other auspices	Information to be collected from Ministry of Manpower Information to be collected on rotation within Government service (if available)
3. Comparison of above with total number of Javanese in Outer Islands	From Census Data
4. Analysis	Best judgment on proportion of Javanese/Balinese in Outer Islands as a result of various types of movement
B. Characteristics of Sponsored and Spontaneous Migrants	
1. Age structure and education - employment implications	Data collected by mission from BPS/others Analyzed by Michael Walton
2. Areas of origin/destination	Census and Transmigration Statistics from A.1 (above)
3. Motives for movement	From existing studies
4. Cost Considerations	Ministry of Transmigration/others
C. Role of the Ministry of Transmigration	
1. Ministry activities and accomplishments in spontaneous migration	Mission update
2. Problems and constraints	1979 Paper on Spontaneous Transmigration plus mission update
3. Recommendations	
<i>D. Other initiatives</i>	
D. Summary of Findings and Implications for Lending	

Timing Resources Required

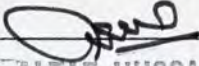
Part II: Overview of Transmigration

Questions to be addressed

1. How successful has transmigration been to date?
2. What are projected rates of movement, constraints and costs?
3. What are the income prospects for transmigrants?
How does this compare to projected incomes in Java and O.I.?
What are implications for recruitment, settlement viability, and spontaneous movement?
4. What are the financial implications?
Depending upon:
 - mix of spontaneous/sponsored?
 - areas to be settled?
 - agricultural models?
 - proposed second stage development?
5. What are the implications for the GOI and Bank lending?

TOPIC	DATA SOURCE
Overview of Transmigration	
Past Performance	
A. Repelita III Accomplishments	Documents from the Ministry of Transmigration/others
B. How Successful has Transmigration Been in Meeting Stated Objectives?	
1. Population Redistribution	Analysis of impact on sending/receiving provinces carried out in conjunction with Patel work
2. Improving Migrant Welfare	Detailed description of impact on 1 or 2 target areas in Java Transmigration Income Study (results available ?Nov 1984) Baby weights in comparison with local families (underway)
3. Promoting Regional Development	Financial impact - update Bhanarjee Rao's work
4. Increasing Agricultural Production	Mission analysis of increases in rice and secondary crops
5. Promoting National Security	Data to be collected on exact numbers settled for security purposes - to clarify repeated questions
<i>c. meeting constraints</i>	
Projected Programs	
C. Scope of the Repelita IV Program Number and destination of migrants	Materials from the Ministry of Transmigration
D. Potential Constraints <i>Factors Affecting Settlement Prospects</i>	
1. Land Availability Land Resources Repelita IV and V Forestry Issues Underutilized land	Mid-term Report from Trans-III consultants Mission Update Update on Government Actions
2. Institutional Capacity Site Selection and Evaluation Selection and Settlement Agricultural Development	Mission Assessment
E. Income Prospects for Transmigrants Analysis of Transmigrant Incomes and comparison with projected incomes in Java and O.I.	Analysis of Transmigrant incomes - AEPA4 Projected incomes in Java and O.I. (AEA)
F. Program Costs	Analysis of major options depending upon i) areas to be settled, ii) agricultural model, and iii) second stage development
Summary and Conclusions	

ERRS

ROUTING SLIP		DATE: 15/10	
NAME		ROOM NO.	
Glamis			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
CLEARANCE		PER OUR CONVERSATION	
COMMENT		PER YOUR REQUEST	
FOR ACTION		PREPARE REPLY	
INFORMATION		RECOMMENDATION	
INITIAL		SIGNATURE	
NOTE AND FILE		URGENT	
REMARKS:			
<p>Before you go on mission we shd formalise our views on this study. Can you & Jorge discuss with me next week pl?</p>			
FROM: 		ROOM NO.:	EXTENSION:
M. ALTAF HUSSAIN			

TRANSMIGRATION SECTOR REVIEW
TENTATIVE STAFFING PROPOSAL

STUDY OF SPONTANEOUS AND PARTIALLY ASSISTED MIGRATION

FY 1985			
November	Fieldwork/ Data Collection	Davis Baldwin	4 4
January	Write up	Davis Baldwin	6 8
	Demographic Work	Patel	2
	Discussion/Review	Davis/Baldwin	4
	Data Collection/ Main Report	Davis	2
		Total		30

OVERVIEW OF THE TRANSMIGRATION PROGRAM :

(Analysis of the Transmigration Program from Economic,
Demographic and Social Points of View)

FY 1986			
July	Fieldwork	Davis	4
		Economist	4
		Demographer (Garrison)	3
		Consultant (Pascoe?)	3
	Write Up	Davis	12
		Economist	5
		Demographer	5
		Consultant	5
	Special Studies	Cost of Job Creation Programs (RSI?)	4
		Demographic Analysis	2
		Income Analysis	8
	Follow-up	RSI (AEPA5)	2
		HQ (AEPA4)	2
	Revisions/Discussion	Davis	4
		Others	2
		Subtotal	65
	Unallocated	??	5
		Total	70
		Of which Davis	22

TRANSMIGRATION SECTOR REVIEW
TENTATIVE STAFFING PROPOSAL

STUDY OF SPONTANEOUS AND PARTIALLY ASSISTED MIGRATION

FY 1985			
November	Fieldwork/ Data Collection	Davis Baldwin	4 4
January	Write up	Davis Baldwin	6 8
	Demographic Work	Patel	2
	Discussion/Review	Davis/Baldwin	4
	Data Collection/ Main Report	Davis	2
		Total	30

OVERVIEW OF THE TRANSMIGRATION PROGRAM

(Analysis of the Transmigration Program from Economic,
Demographic and Social Points of View)

FY 1986			
July	Fieldwork	Davis Economist Demographer (Garrison) Consultant (Pascoe?)	4 4 3 3
	Write Up	Davis Economist Demographer Consultant	12 5 5 5
	Special Studies		
	Cost of Job Creation	Programs (RSI?)	4
	Demographic Analysis	Patel (?)	2
	Income Analysis	Stavenuiter (?)	8
	Follow-up	RSI (AEPA5) HQ (AEPA4)	2 2
	Revisions/Discussion	Davis Others	4 2
		Subtotal	65
	Unallocated	??	5
		Total	70
		Of which Davis	22

TRANSMIGRATION SECTOR REVIEW
TENTATIVE STAFFING PROPOSAL

STUDY OF SPONTANEOUS AND PARTIALLY ASSISTED MIGRATION

FY 1985			
November	Fieldwork/ Data Collection	Davis Baldwin	4 4
January	Write up	Davis Baldwin	6 8
	Demographic Work	Patel	2
	Discussion/Review	Davis/Baldwin	4
	Data Collection/ Main Report	Davis	2
		Total	30

OVERVIEW OF THE TRANSMIGRATION PROGRAM

(Analysis of the Transmigration Program from Economic,
Demographic and Social Points of View)

FY 1986			
July	Fieldwork	Davis Economist Demographer (Garrison) Consultant (Pascoe?)	4 4 3 3
	Write Up	Davis Economist Demographer Consultant	12 5 5 5
	Special Studies		
	Cost of Job Creation	Programs (RSI?)	4
	Demographic Analysis	Patel (?)	2
	Income Analysis	Stavenuiter (?)	8
	Follow-up	RSI (AEPAS) HQ (AEPAS)	2 2
	Revisions/Discussion	Davis Others	4 2
		Subtotal	65
	Unallocated	??	5
		Total	70
		Of which Davis	22

PREPARING OFFICER: G. Davis EAST ASIA AND PACIFIC REGION I
 ECONOMIC & SECTOR WORK I
 STATUS REPORT AS OF 10/03/84 I
 COUNTRY: INDONESIA I
 MANAGER: 176-16 AGRIC 4 I
 FIN COV: NA I
 MSN, LEADER: ~~NA~~ G. Davis I
 NAME: TRANSMIGRATION I
 MSN DATE AGR W/GOVT? NO I
 7INSAYSYS SECTOR REPORT I

SECTION I - SCHEDULING
 =====

	PROPOSED CHANGE	REVISED PLAN	FY85 PLAN		PROPOSED CHANGE	REVISED PLAN	FY85 PLAN
1. INIT. MEMO:	09/14/84	00/00/00	00/00/00	✓	4. YELL COVER:	3/15/86	00/00/00
2. MAIN MISN.:	07/15/85	00/00/00	00/00/00	✓	5. GREEN COV.:	6/15/86	00/00/00
✓ 3. WHITE COV.:	12/15/85	00/00/00	00/00/00	✓	6. GOVT DISC.:	7/1/86	00/00/00
				✓	7. GRAY COVER:	9/15/86	00/00/00

SECTION II - STAFF WEEKS
 =====

	TOTAL INPUT	DIV STAFF	OTH. REG STAFF	CONS	OPS	EIS	ERS	OTHER
ACTUAL TO START FY85	.0	.0	.0	.0	.0	.0	.0	.0
FY85 ORIGINAL PLAN	.0	.0	.0	.0	.0	.0	.0	.0
FY85 REVISED PLAN	.0	.0	.0	.0	.0	.0	.0	.0
FY85 ACTUAL TO SEPT	.0	.0	.0	.0	.0	.0	.0	.0

SECTION III - STAFF
 =====

	CONFIRMED? (Y OR N)	SPECIALTY	DEPT/DIV	REV. PLAN		PROP. CHANGE	
				FY85 -SW-	FY86 -SW-	FY85 -SW-	FY86 -SW-
1. N/A <u>Walton/Cole</u>	Y	PRO	AEADC	10	0	05	-
2. N/A <u>Davis</u>	Y	CON PRO	AEP44	10	0	10	-
3. N/A <u>Baldwin</u>	Y	PRO	AEP44	15	0	15	-
4. N/A		MISSION Leader	AEP44	0	0	-	20
5.		ECON	AEP44	0	0	-	200
6.		PRO	AEP44	0	0	-	200
7.		CON	AEP44	0	0	-	10
8.		CON	AEP44	0	0	-	5
9.		PRO	AEADC	0	0	-	5
10.		PRO	AEP45	0	0	-	5

OBJECTIVE & SCOPE:

REVIEW OF GOI & BK INVESTMT STRATEGY IN TRANSMIGRATION IN
 CONTEXT OF OVERALL MIGRATION, EMPLOYMENT, REGIONAL AND AGRICULTURAL DEVELOPMENT.

COMMENTS ON CHANGE AND OTHER REMARKS:

SIGNED:

PROGRAMS:

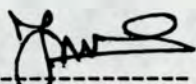
DIV. CHIEF SENIOR ECONOMIST

PROJECTS:

DIV. CHIEF(S)

ORVP:

CHIEF ECONOMIST

 10/10

October 23, 1984

Ms. G. Davis (AEPA4), Mr. J. Baldwin, (AEPDR), Mr. R. Calderisi (AEAIN)
M. Altaf Hussain, Chief, AEPA4

72145

INDONESIA - Terms of Reference - ESW - Transmigration Sector Review,
Initiating Mission

1. You will arrive in Indonesia ~~on or~~ about November 11, 1984, for a mission of about three weeks. The mission will have two objectives:

(i) to gather information for a short working paper on spontaneous and partially-assisted migration; and (ii) to initiate data collection for the Transmigration Sector Review to commence in FY86.

2. Miss Davis will have primary responsibility for the management of the mission. She will work with officials in the Ministry of Transmigration and other agencies to schedule appointments and field visits to sending and receiving areas; and with Mr. Baldwin, she will prepare an outline of topics to be covered in the working paper on spontaneous migration. In addition, she will arrange for data collection and analysis for topics to be included in the sector review. These subjects are indicated in Attachment 1/ *which should be on which Mr. Rao / Khalilzadeh*. Prior to leaving Jakarta, she will prepare an aide-memoire on the status of data collection and upon her return she will write a brief back-to-office report. *Very may be request at the start of the mission*

3. Mr. Baldwin will have the main responsibility for producing a draft working paper on spontaneous migration. This paper would tentatively cover a description of the magnitude and causes for spontaneous movement, an analysis of the relationship between sponsored and spontaneous migration, an update on Government actions to support spontaneous or partially-assisted movement, *benefits, merits and disadvantages,* and recommendations on ways to increase/decrease

this flow. Mr. Baldwin should produce a draft report by about March 15, 1985.

5. Mr. Calderisi, who will be gathering background information for the Transmigration V mission, will *as far as possible* coordinate data collection *for this project* with this mission.

Distribution

Messrs. Rajagopalan (PAS)(3), Pickering (AGR)(6), Kirmani (AEP), Kaji (AEA), Davar (AEP), Linn (AEA), Mead (LEG), Perera (LOA), Swahn (EDC), Yenai (AEN), Zincir (AEP), Price (RSI)(3)
Mss. Hamilton (AEA)(3), Schaeffer (AEN)

GDavis:esb

mlgd102284

Data Collection

I. Information to be obtained during November mission

- A. Data for analysis of the relationship between sponsored and spontaneous migration
 - 1. Number of transmigrants (families/people) moved by year by sending and receiving provinces populations, if available, broken down by major periods of movement
 - a. 1905-1969
 - b. 1969-1979
 - c. 1979-1984
 - 2. Age/sex composition of families in key periods
 - a. In the 1920-30s
 - b. In the 1969-1979 period
 - c. In the 1979-1984 period
 - 3. Fertility and mortality estimates for key periods
 - a. For the general population by province
 - b. For transmigrants in each of the key periods, if available
 - 4. Estimates of return migration for the key periods
 - 5. All census data related to migration.
- B. Documentation on other types of movement
 - 1. Movement under the Civil Service
 - 2. Movement sponsored by the Ministry of Manpower
 - 3. Mobility indicated by growth in Ferry Services
 - 4.
 - 5.
 - 6.
- C. Repelita III Accomplishments

II. Data collection to be initiated for the Main Report

<u>Topic</u>	<u>Data Source</u>
A. How successful has Transmigration been to date?	
1. Promoting population redistribution	Data from Working Paper (See previous page)
2. Improving migrant welfare	Income study from - BPS Income analysis - Stavenuiter (ILO) Baby weight studies - MOH
3. Promoting regional development	GOF expenditures - AEA/MOF Other measures of analysis - to be identified
4. Increasing agricultural production	Agricultural production by province - MOA, Material from CRIA
5. National security	MOT
B. Scope of Repelita IV Program	
1. Targets/costs	MOT estimates
2. Land availability	ODA and consultant reports Directorate of Planning - MOT
3. Forestry and environment	Ministry of Population and Environment, MOF/MOT
4. Institutional constraints	
a. Planning	MOT
b. Resettlement	MOT
c. Agriculture	MOA
C. Economic Analysis	
1. Information on costs and benefits in various areas	Costs - MOT
2. Cost of job creation in other sectors	RSI - Programs



Record Removal Notice



File Title Gloria Davis - Chronological file - 1984		Barcode No. 30084758		
Document Date 06 November, 1984	Document Type Memorandum			
Correspondents / Participants To: Messrs. J-P Baudelaire (AEPA4) and M.E. Cackler (AEPA4) From: David A. Mead (LEGEP)				
Subject / Title Indonesia: Transmigration V - Tribal Peoples				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td>Withdrawn by Tonya Ceesay</td> <td>Date 17-Feb-16</td> </tr> </table>	Withdrawn by Tonya Ceesay	Date 17-Feb-16
Withdrawn by Tonya Ceesay	Date 17-Feb-16			

RAPAT KERJA
DEPARTEMEN TRANSMIGRASI
TAHUN 1984/1985
DI JAKARTA 21-24 MEI 1984

Ms Gloria Davis and Mr Baldwin
World Bank Mission
c/o Sari Pacific Hotel
Room no 830 Jakarta.

16/11/84.

Dear Ms Davis and Mr Baldwin.

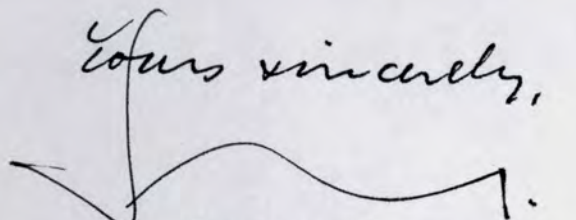
Concerning your trip to Lampung on Sunday morning (18/11/84), I would like to inform you as follows:

1. Lampung Trans. Office has already been informed.
2. Bus ticket has already been booked and will be sent to you on Saturday before 12.00.
3. Bus will start on 08.00 o'clock in the morning from DAMRI Station Jl Kraan / Jl Angkasa Kemayoran.
4. Mr Harsono, Director for Trans. Swakarsa, will joint this trip.

I hope this information is adequate for you.

Thanking you for your kind cooperation.

Yours sincerely,


SUMARTONO.

t e l e x .

nomor : t.192/k/dj-aa/xi/1984.
 dari : direktur jenderal penerahan dan pembinaan
 untuk : kakanwil departemen transmigrasi propinsi Lampung di -
 tanjung karang.
 hal : program tentative kunjungan ms- gloria davis dan mr.
 baldwin dari world bank ke Lampung tanggal 18 - 21 -
 nopember 1984.
 tanggal : 14 nopember 1984.
 sifat : penting / segera.

isi berita :

- satu ttk dalam rangka rencana bantuan bank dunia untuk pelaksanaan transmigrasi swakarsa tahun 1985/86 badan tersebut mengirimkan satu misi kecil ke indonesia ttk
- dua ttk tugas misi adalah mengumpulkan informasi / data yang akan digunakan sebagai dasar untuk penentuan bantuan tersebut ttk
- tiga ttk misi tersebut akan mengunjungi Lampung dimulai tgl 18 - nopember 1984 dengan tentative program sebagai berikut ttk dua
- (1) tgl 18 nopember 1984 minggu pagi berangkat ke - tanjung karang dengan bus kma malam menginap di - hotel marco & polo ttk
 - (2) tgl 19 nopember 1984 senin pagi jam 08.00 wib pertemuan dengan kakanwil trans koma setelah selesai menuju ke lokasi way abung dan bermalam di lokasi tt ttk
 - (3) tgl 20 nopember 1984 selasa pagi meninjau lokasi ex transmigrasi di metro kma sore kembali ke tanjung- karang menginap di hotel marcopolo ttk diharapkan bantuannya untuk mengatur reservation di hotel tersebut untuk tgl 18 dan 20 nopember 1984 ttk
 - (4) tgl 21 nopember 1984 rabu dengan flight ke dua kema li ke jakarta ttk
- empat ttk tentative program tersebut masih dapat diubah sesuai sarans kepala kantor wilayah ttk
- lima ttk kunjungan misi didampingi direktur transmigrasi swakarsa dan kasubdit sumatera seerta staf.
- enam ttk untuk kelancaran tugas misi diharapkan bantuan seperlunya dan terima kasih ttk hbs

a.n. direktur jenderal
 penerahan dan pembinaan
 direktur transmigrasi swakarsa

drs. narsono soerodihardjo

nip. 160010933.

tembusan k disampaikan yth :

1. bapak direktur jenderal penerahan dan pembinaan
 (sebagai laporan)

2. a r s i p.

November 21, 1984

Mr. H. Widarto
Secretary General
Department of Transmigration
Jl. Agus Salim 58
Jakarta

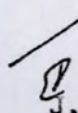
Dear Mr. Widarto:

Loan 2248-IND Consultancy Services for the
Preparation of Transmigration V and VI Projects

Thank you for your letter B.4724/SJ/1984 of November 6, 1984, informing us of your employment of Dr. Joan Harjono to assist in the preparation of spontaneous settlement. Please allow us to refer you to Mr. Hussain's letter to you of May 7, 1984, in which he conveyed his support to the employment of local consultants to assist your Ministry in project preparation to be financed from Trans III project funds. Since transmigration project preparation and appraisal fall under Mr. Hussain's responsibility, we will pass on your letter for review and comments to Mr. Hussain's staff, presently in Indonesia to appraise Trans V and prepare a working paper on spontaneous transmigration.

With kind regards,

Yours sincerely,


J.M.F. Greenwood
for Owen T. W. Price
Chief, Agriculture Division
Resident Staff in Indonesia

cc: Mr. Djoko Hartono

bcc: Messrs M.A. Hussain, J. P. Baudelaire
Ms. G. Davis

File: 2248-IND

AKlempin/lk *A/2e*

AK to hand

07 NOV 1984

MINISTRY OF TRANSMIGRATION

Jl. H. Agus Salim 58 Jakarta Pusat Telp : 337545 - 337675 Telex 45123 Tromol Pos. 3173

November 6, 1984

Ref: B.4724/SJ/1984

Mr. Owen T.W. Price
Chief, Agricultural Division
The World Bank - RSI
Jakarta.

Rep. 1/20

Dear Mr. Price,

Subject: Loan-1707-IND - Consultancy service for Spontaneous Pilot Settlement.

Referring to Mr. Baudelair suggestion during his visit last July 1984 for the Ministry of Transmigration to have an assistance from Dr. JOAN HARJONO for the preparation of Spontaneous Settlement surrounding areas of Trans - migration I, I herewith inform you that the Ministry of Transmigration already employ Dr. JOAN HARJONO for a priod of 3 m.m.

Activities conducted by Dr. JOAN HARJONO so far can be recorded as follows:

1. Discussion with the Advisory Group of Mc Donnald Team;
2. Visit Baturaja and specifically Paninjauan, an area of approx. 18.000 Ha near Baturaja to be proposed as Pilot Settlement for Spontaneous Transmigration;
3. Discussion with Bupati of Baturaja;
4. Small Seminar with Directorate of Swakarsa;
5. Discussion with the Sub-Coordinator of World Bank Assisted Projects.

Her Draft Report will be available on November 12, 1984 when the Appraisal Mission of Trans V start their assignment.

For that reason we appreciate your approval to sign a contract with Dr. JOAN HARJONO, with the total cost of Rp. 13,287,750,-

In the meantime we submit to you for your consideration:

- (1). Her Curriculum Vitae
- (2). Terms Of Reference
- (3). Cost breakdown.

Looking forward for your comment and approval.

With best regards,

Sincerely,




G. W. D A R T O

Secretary General of the
Ministry of Transmigration

COST BREAKDOWN OF DR. JOAN HARJONO

Period : 3 m.m

1.	Salary	: 3 x Rp. 1,200,000	-	Rp.	4,500,000
2.	Car rental	: 3 x Rp. 600.000	-	Rp.	1,800,000
3.	<u>Travel</u>	:			
	(1). Visit to Baturaja				
	a. ticket	2 x Rp. 60.000	-	Rp.	120,000
	b. Palembang - Baturaja (train)		-	Rp.	20,000
	(2). Per Diem	: 10 x Rp. 21.000	-	Rp.	210,000
	(3). Per Diem Bandung - Jakarta	30 x Rp 25,000	-	Rp.	630,000
4.	Secretary	: 3 x Rp. 250,000	-	Rp.	750,000
5.	Communication	: 3 x Rp. 100,000	-	Rp.	300,000
6.	Reporting	:			
	- Draft Report	: 20 x Rp 30,000	-	Rp.	600,000
	- Final Report	: 50 x Rp. 30,000	-	Rp.	1,500,000
7.	Stationary	: 3 x Rp. 75,000	-	Rp.	225,000
8.	Discussion Project Proposal with Seminar		-	Rp.	2,000,000
			-	Rp.	12,655,000
9.	Contingency	5 %	-	Rp.	632,750
				Rp.	13,287,750
				=====	



Record Removal Notice



File Title Gloria Davis - Chronological file - 1984		Barcode No. 30084758
Document Date 06 November, 1984	Document Type CV / Resumé	
Correspondents / Participants Joan Margaret Hardjono (nee Minogue)		
Subject / Title Curriculum Vitae		
Exception(s) Personal Information		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		Withdrawn by Tonya Ceesay
		Date 17-Feb-16

324853 (Home)

Jl. Suwiryo Pav II.
Menteng.

LORRAINE CORNER PH.D.

CONSULTANT LEKNAS - LIPI

Office :

Widya Graha Lt. 10
Jalan Jend. Gatot Subroto X
Jakarta Selatan

Postal Address :

PO. Box 310 Jakarta Pusat INDONESIA
Telp. 517120 to 2 00 pm.
327142 (Office) 324853 (Home)
Telex : RS 44178 UNDEVPROIA

LORRAINE CORNER PH.D.

Office:

Demography Department,
Research School of Social Sciences,
Australian National University
Camberra ACT 2600 AUSTRALIA,

Home :

93 Macfarland Place
PEARCE ACT 2607
Telephone : (062) 8

Ms. GLORIA DAVIS

Gloria

Ms. Lorraine Corner, who is working with the ILO's Research Institute for Socio/Economic Research (LEKNAS of LIPI) and funded by UN Fund for Population Activities, is working on transmigration settlement as a special part of migration research being conducted by LEKNAS.

She is anxious to meet you to obtain your views on the orientation of the LEKNAS work and how best this could be adapted to the major transmigration programs. She has left a paper (attached) outlining proposed approach to the work program.

Ms. Lorraine is from the Australian National University, Canberra and knows you by repute. She appears to be a most useful resource person with a long experience in SE Asia and in her second year in the job in Indonesia.

I've given her your hotel room number and suggested she tries to contact you. Her card is attached also. I think you would wish to meet her.

Yours age

Sydney Archer

11/13

3.5 Project Identification and Formulation:

This project proposal in respect of research and training in PSC-LEKNAS closely follows the guidelines presented by the UNFPA Basic Needs Mission of March/April 1984. The details of the project were prepared by PSC-LEKNAS in collaboration with KLH and UNFPA Jakarta.

4. Project Activities:

4.1 The Process:

Two categories of activities will be carried out under the project - research and associated training, which comprises the major part of the project, and ancillary training and related activities. These will be discussed separately.

I. Research and Research Oriented Training:

Several factors have influenced the format of the research proposed under this project. The need to accommodate project activities to the normal research schedule of PSC-LEKNAS and to ad hoc demands on staff resources occasioned by official requests for special research studies, often at short notice, together with past experience favoured a series of shorter-term, independent projects over a single large-scale and long-term project. However, a series of independent and unrelated research studies would be less effective as a training vehicle and would have less impact on government policy formulation.

The compromise chosen is a series of three

independent but complementary and integrated research studies that allow flexibility in implementation. Institution-building objectives, which have first priority in the project, are less likely to become victim to the pressures of time and the demand for research results under this arrangement.

LEKNAS, as a national research institute of social science research, has a strong policy orientation. Although limitations in manpower and experience have hampered the degree to which it has been able to influence policy through its research program, its philosophy under the current leadership explicitly recognizes the multidisciplinary character of policy research and has adapted its research program and staff training accordingly. Thus, while the PSC comprises staff with specialised interests and training in the field of population, its members participate in a variety of research undertakings in which their demographic expertise is relevant but in which demographic concerns are not necessarily paramount. Similarly, staff from the other divisions of LEKNAS contribute their talents to studies where demographic matters predominate but where other skills are required. This multidisciplinary approach is continued in the research studies to be undertaken under this project. All major divisions of LEKNAS are involved in at least one of the research studies while the PSC will participate in all three to provide coordination and the overall demographic focus.

Most research carried out by PSC-LEKNAS in the past has been based on field surveys. This arises partly from the budget process within the institution, partly from lack of access to computer facilities capable of analysing large, national and regional data sets, and partly from limitations in staff training and experience. PSC-LEKNAS recently acquired, under Project INS/79/P15, the necessary computer hardware and software to undertake analysis of larger data sets. The experience and training required to exploit this new capacity is currently being developed and will continue to be expanded under the auspices of this project. However, the technical skills, experience and confidence to undertake computer analysis of large data sets and to better utilize existing secondary data sources have not been developed on any scale. Despite the undoubted value of case studies, policy-oriented research demands broader provincial and national perspectives. The first of the three research studies to be undertaken under this project thus places considerable emphasis on analysis of existing secondary data, including large empirical data sets.

LEKNAS has established links with a number of provincial universities which undertake collaborative research studies in conjunction with the LEKNAS research program and cooperate in providing field personnel and interviewers for data collection in their regions. However, the extent of collaboration and cooperation is necessarily restricted by the level of salaries received by university staff and their need to supplement these with secondary

employment. The attraction of even generous but short-term research awards and field payments is limited in comparison with less remunerative but semi-permanent income supplements. This problem is specifically addressed in the design of this project. Fieldwork workshops involving university staff members will be held in the province of the cooperating institution, and workshop hours adapted to the timetables of university participants (evening sessions, for example). University staff members will be involved, not as field personnel, but in order to familiarise them with the research activities and to ensure their more effective contribution to later analysis of the data. (Undergraduate and graduate students, together with PSC-LEKNAS STAFF members, will conduct the fieldwork).

University staff members from the participating universities, together with staff from relevant policy-making agencies (KLH, BAPPENAS, etc.), from implementing agencies (Ministry of Transmigration, Ministry of Works, etc.), and from service bodies such as BPS and the regional BAPPEDA offices will also participate in workshops to be held at each major stage of the research process for each research study. The purpose of the workshops is fourfold: to provide input and feedback from the relevant agencies to the research; to strengthen ties between PSC-LEKNAS and these agencies; to stimulate interest among the agencies in the project, thereby enhancing the prospects of later achieving an impact on policy decisions; and, finally, to provide an opportunity

for staff development.

The above listed considerations determined the nature of the research activities to be carried out under this project. These consist of three major research studies. They have been designed to preserve flexibility in timing and implementation. The three studies may be executed sequentially in any order, or they may overlap. (The degree to which this is possible would be limited by the manpower resources of PSC-LEKNAS). Each involves workshops at each of the three major stages of the study (project formulation and detailed design; preparation of data collection instruments and organisation of analytical framework; preliminary presentation of data and preparation of final report). The approximate duration of each study is eighteen months, providing time for preparation and presentation of a final integrated report at a concluding seminar.

Research Study I: A Study of the linkages between transmigration settlement patterns and regional and national development.

This study is primarily to provide the theoretical and macro contexts for the subsequent studies and to provide staff training and experience in analysis of large empirical data sets and secondary data. The study will be carried out by staff from the Economics Division of LEKNAS and the PSC. It comprises four main elements:

(i) a literature review of transmigration and patterns of development in transmigration areas in Indonesia with special reference to the provinces of

South Sulawesi and South Kalimantan and to the role of transmigration in national development.

(ii) a study of the theoretical relationships between transmigration and development, with special attention to the structural implications of different types of transmigration settlement patterns (food crop production for subsistence consumption; subsistence food production combined with commercial crops - cloves, tobacco - for the domestic market; commercial crop production for export - rubber, oil palm; land settlement integrated with urban development. Of particular interest are the labour demand and supply implications of the different patterns and the likely employment and income flow characteristics of each. Provision for the second generation on the different settlement types would also be of concern.

(iii) analysis of existing empirical data sources (SAKERNAS, SUPAS, the 1971 and 1980 censuses, etc.) in the two selected provinces (South Sulawesi and South Kalimantan) and in one province of origin of transmigrants/migrants to these. The analysis would focus on the labour force and migration characteristics of each province, and the development implications of these viewed in the light of the theoretical findings revealed in part (ii). This analysis will provide experience in handling both large data sets and secondary data and in integrating empirical results with theoretical analysis.

(iv) Case studies (at least two) of particular transmigration sites, one in South Sulawesi and

one in South Kalimantan, each representing a different settlement pattern. The case studies will focus on actual and potential development linkages through the demand for and supply of labour, consumption patterns etc. between each type of settlement pattern and the local and regional economy and on the role of transport, marketing facilities and other infrastructure in determining the development impact. The chosen research sites will comprise the nucleus of the research sites for all subsequent studies under the project.

Research Study II:

A Comparative Study of Voluntary Migrants, Spontaneous Transmigrants and General Transmigrants in Selected Schemes in South Sulawesi and South Kalimantan and in a Selected District of Origin on Java.

This study will focus on three issues:

(i) the demographic impact of different patterns of transmigration settlement and migration on areas of destination and origin with special reference to the impact in destination areas on female labour force participation, on education levels and on associated variables such as fertility and family planning practice.

(ii) the characteristics of voluntary migrants to transmigration areas, general transmigrants and spontaneous transmigrants and the implications of these for development.

(iii) the linkages between sending and receiving communities and between the three groups of

migrants, including the role of return visits, return migration and other forms of communication and contact in influencing further migration (sponsored or unsponsored). The studies will be undertaken in the selected locations by staff from the PSC and Social Division of LEKNAS in association with staff and students from universities in the study areas. They will contribute a more micro level empirical foundation to the macro approach of the first research study.

Research Study III: A Study of the Social and Cultural Impact of Migration and Transmigration in the Selected Destination areas.

This study will explore the nature of social and economic linkages between local and immigrant/transmigrant communities in the selected sites and the social implications of the different kinds of economic linkages that arise under different patterns of settlement. It will be carried out by staff from the PSC and Social Divisions of LEKNAS.

Concluding Seminar:

In this finale to LEKNAS activities under the third country program, the integrated findings and policy implications of the three research studies will be presented to policy makers and the wider research community. The seminar will address three major policy issues:

(i) the development role of transmigration in Indonesia and the development and

demographic implications of different patterns of transmigration settlement.

(ii) the role of transmigration settlement in promoting voluntary migration from Java to the Outer Islands.

(iii) the role of particular migration and settlement strategies in influencing social harmony and integration in settlement areas.

II. Ancillary Training and Related Activities:

Training includes two major elements: language training and computer training. The former is intended merely to raise the basic levels of English language competency among selected LEKNAS staff members to admit them to further language training financed by other training agencies such as the British Council's training scheme for students preparing to enter British institutions of higher education under British funding or the Australian Language Centre for students accepted for Australia under ADAB or Colombo Plan financing. Computer training will comprise practical training, probably in non-degree courses and on a short-term basis, to improve the expertise of the computer resource persons (currently two) providing user services to PSC-LEKNAS research staff.

Ancillary services include provision of the necessary equipment to establish a small computer users' service centre in which data files and software programs can be properly stored and catalogued and provision of continuing support for

the small PSC library through purchase of new monographs.

4.2 The Work Plan:

1986 Recruitment of the consultant should commence during 1985 to facilitate timely commencement of work under the project. Assuming that the consultant takes up the position in January or soon after, the first workshop of the First Research Study would be held in April of 1986. Work on the literature review, the theoretical study and computer analysis of secondary data should commence in January, particularly since this is often a less busy period in the LEKNAS research year. The second workshop for this project would be held in July in order to permit fieldwork to be undertaken in the drier months before October. Although it is envisaged that fieldwork in the research sites could be conducted concurrently (competing demands on staff resources may require this), the field training workshops should be held consecutively to facilitate the exchange of information and participation of senior field staff in both. The fieldwork and non-field activities under this project would then continue concurrently for the remainder of the year. During the year language training outside of working hours and in addition to normal duties

would be provided for approximately ten staff members at various levels of English language competence. Computer training for the computer resource persons in LEKNAS would also be undertaken and initial development of user services in the PSC-LEKNAS implemented in conjunction with data collection and analysis in Research Study I.

1987

The final workshop for the first research study would be held during the first quarter of the year, although the final report would not be completed until the middle of the year. The workshop would therefore provide input into the format of the final report. The first workshop of the second study would be held in the same quarter in order to allow the critical field preparation workshop for this study to be held by July at the latest. Fieldwork, which would be the major component of this study, could then be carried out during the drier months. (It should be noted that the relative timing of workshops in the three studies is not critical. If necessary the first workshop of the second study could precede the final workshop of the first). Language training, library development and extension of the computer services provided by the resource persons would continue, as in each year of the project.

1988

This year would be largely taken up with analysis

of the substantial data set collected under Research Study II. It is anticipated that the level of computer expertise for handling a medium sized data set such as this would be well developed by this stage of the project. Consequently more sophisticated techniques of analysis would be employed. At the same time, a more penetrating integration of the field material with the results of Research Study I should be emerging.

1989

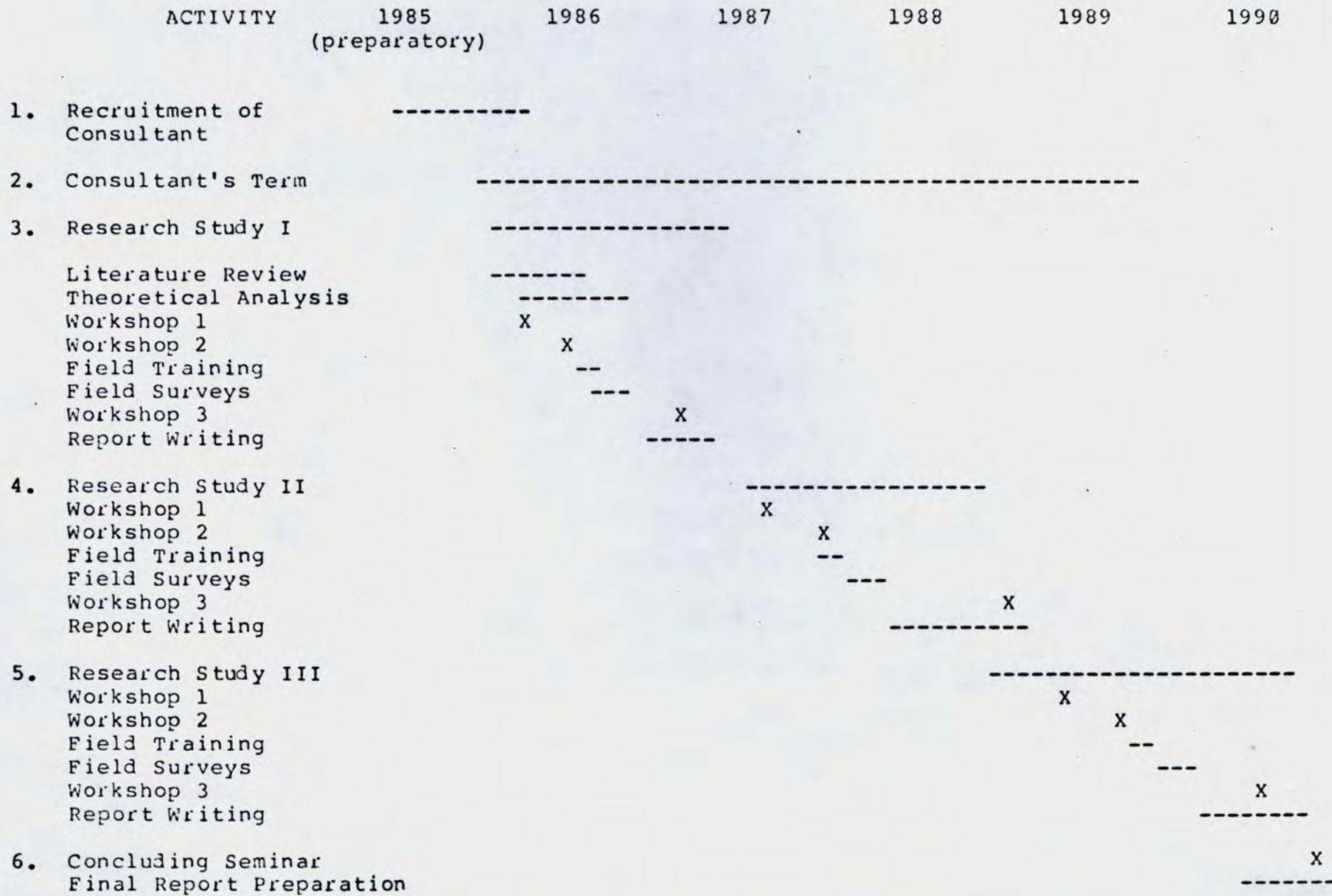
In 1989 the concluding workshop of Research Study II and the preliminary workshop of the final research study would occupy the first half of the year. The fieldwork workshop for Research Study III would be held early in the second half of the year to permit timely execution of the fieldwork before the wet season.

1990

Early in the year, depending on when the consultant first assumed his/her post, the consultant's term would be completed. By this stage it is expected that several PSC-LEKNAS staff members who were able to obtain overseas training opportunities as a result of language training provided under this project and its predecessor INS/79/P15 would have returned with higher degrees. The PSC-LEKNAS would be in a position to complete the project satisfactorily without

outside assistance. The final workshop of Research Study III would be held early in the year, allowing final report writing to be completed before preparations commenced for the major undertaking of the year, the Concluding Seminar. The Seminar would be held around September, to allow preparation of the final report (presented in draft at the Seminar) prior to the conclusion of the Third Country Program.

4.3 The Bar Chart



5. Justification With Supporting Information:

The long-term objectives of improving the quality of population research in Indonesia as an essential input into the process of population policy formulation in Indonesia is, in this project, focused on the role of LEKNAS in providing policy oriented research on population mobility and labour force. The importance in this context of the institution, established as a national social science research institute specifically charged with a responsibility for policy oriented research is clear.

The current limitations of the institution in fulfilling its allocated role are apparent from the youth and inexperience of the majority of its staff. Few staff members in the PSC, for instance, have post-graduate qualifications (there are five holders of Masters degrees, one of whom is now studying for a Ph.D.) and research experience is also limited. Access to available overseas training opportunities offered by other agencies (World Bank, Colombo Plan, the Australian Development Assistance Bureau) is restricted by the inability of staff, whose only English language training was obtained from the schools, to meet the minimum English competence levels required for acceptance onto the training programmes. The small financial contribution from this project for provision of basic language training may be expected to yield a large incremental return in terms of the access to additional training funds that will be forthcoming as a result.

The institution-building objective of creating and strengthening linkages between PSC-LEKNAS and the government agencies whose research needs its activities are intended to serve is a vital element in the dissemination of research findings. Informal, rather than formal, contacts and networks are probably more important in determining the impact of research on government policy than the quality of the research alone. Such linkages are therefore essential for PSC-LEKNAS. The series of workshops associated with each of the research studies will develop personal and professional contact between PSC-LEKNAS researchers and their colleagues in government, as well as providing an input into the research process that will contribute to the degree to which the research meets existing government needs.

The choice of transmigration as the focus for research undertaken under this project can be justified on several grounds. As noted by the UNFPA Basic Needs Assessment Mission, knowledge gaps exist in several important areas of policy decision making relating to transmigration policy. In particular there is limited information available on the relationship between transmigration and voluntary migration and on the developmental impact of different patterns of transmigration on areas of origin and destination.

Further, as noted in section 3 above, the current institutional structure of government in Indonesia is particularly favourable for new initiatives in population distribution policy. Transmigration is increasingly being regarded as an element in a broad mix of policies to address

population distribution problems but there is little research available that specifically links the developmental and demographic aspects of the programme or its relationship to other policies.

Research sites in Sulawesi and Kalimantan were chosen in preference to sites in Sumatera because the latter island has already been extensively researched in relation to transmigration. In addition, the island of Sumatera has been relatively successful in attracting migrants from Java, as indicated by the pattern of inter-censal inter-provincial migration 1971 - 1980. In 1980 some 94 per cent of migrants who had entered Sumatera, while 81 per cent of migrants who had left Java were enumerated in Sumatera. Economic development in Sumatera has been relatively rapid so that it is likely that transmigration will no longer be a major element in the flow of Javanese to Sumatera. In Sulawesi and Kalimantan, on the other hand, the role of the transmigration programme is likely to continue to be a major influence on migration patterns.

6. Related Activities:

The institution building activities of this project is related in a broad sense to the activities of the other UNEPA projects in Demographic Training and Research located in the University of Gadjah Mada's Population Studies Centre and in the Demographic Institute of the University of Indonesia.

SUPLEMEN
TRANSMIGRASI SISIPAN

Hasil Pembahasan

Departemen Transmigrasi dan Departemen Dalam Negeri
(Ditjen Bangda, Ditjen Bangdes dan Ditjen PUOD)

Rabu, 21 November 1984

1. Pada hakekatnya Transmigrasi Sisipan (TRANSIP) diarahkan/diterapkan kepada desa-desa yang telah berpenduduk asli/eks transmigrasi. Perumusan istilah desa dapat dipandang sebagai wilayah administratif/ atau pemukiman penduduk, sehingga istilah transmigrasi sisipan dapat diidentifikasi sebagai transmigrasi intensifikasi desa atau disingkat Transmigrasi Desa (TRANSDDES). Dengan istilah TRANSIP dapat ditafsirkan transmigrasi sebagai pihak "minoritas" dan TRANSDDES dapat dikaitkan dengan misi pembangunan.
2. Orientasi pengembangan Transmigrasi Sisipan (TRANSIP) ini diarahkan ke tingkat desa dan kelurahan, tetapi dalam penyelenggaraannya berkembang mula-mula dari desa selanjutnya ke kelurahan. Definisi desa dan kelurahan (UU No.5/1979, tentang pemerintahan desa, Bab 1 Pasal 1 jo. a. dan b.):
Desa, adalah suatu wilayah yang ditempati oleh sejumlah penduduk sebagai kesatuan masyarakat hukum yang mempunyai organisasi pemerintahan terendah langsung di bawah camat dan berhak menyelenggarakan rumah tangganya sendiri dalam ikatan Negara Kesatuan Republik Indonesia.
Kelurahan, adalah suatu wilayah yang ditempati oleh sejumlah penduduk yang mempunyai organisasi pemerintah terendah langsung di bawah camat, yang tidak berhak menyelenggarakan rumah tangganya sendiri. Sehingga wilayah TRANSIP sebagai bagian dari suatu wilayah administratif, dapat dikembangkan sebagai suatu 'hinterland' dari desa atau bahkan kota yang terdekat, pada akhirnya TRANSIP ini dapat berfungsi dalam integrasi wilayah administratif.

3. Sesuai dengan kondisi desa-desa di luar pulau Jawa, maka jumlah penduduk sebanyak 50 KK telah menjadi suatu kelompok pemukiman yang cukup besar sehingga kapasitas desa yang akan disisipi akan diprioritaskan pada desa-desa dengan jumlah penduduk yang belum mencapai 500 KK atau dengan kepadatan yang belum mencapai maksimum 200 jiwa/km^2 .
4. Untuk pengembangan tahap awal, maka pola TRANSIP pada desa binaan transmigrasi dapat diabaikan, karena pola ini dapat dipandang sebagai perluasan kapasitas daya tampung dari SP/SKP transmigrasi. Dengan demikian hanya terdapat 3 (tiga) pola TRANSIP.
5. Perlunya diciptakan mekanisme pelaksanaan penyelenggaraan TRANSIP yang memantapkan besarnya peranan Pemda dalam penyelenggaraan. Untuk ini sedang disusun beberapa alternatif mekanisme pelaksanaan program termasuk organisasi proyek ini terutama untuk pelaksanaan pada tahun anggaran 1985/1986, karena telah tersedianya dana dan program penyelenggaraan TRANSIP.
6. Mengingat harus terciptanya keseimbangan antara penduduk asli dengan Transmigrasi Sisipan (terutama terhadap pola TRANSIP internal kampung), maka diperlukan agar sasaran alokasi dana dari Proyek Pemugaran Desa yang ada di Departemen P.U., Dep. Dalam Negeri (Bangdes) dan Dep. Sosial dapat berfungsi sebagai proyek kompensasi kepada penduduk asli setempat.
7. Sesuai dengan prosedur pemerintah di daerah, maka disarankan agar kepindahan Transmigrasi Sisipan dapat dipandang sebagai pindahnya seorang WNI asli dari suatu tempat ke tempat lain dalam wilayah Republik Indonesia. Hanya dalam hal ini kepindahan dilakukan secara berkelompok (massal). Dengan demikian TRANSIP tidak membutuhkan adanya suatu masa peralihan untuk menjadi penduduk setempat, sehingga TRANSIP dapat langsung menjadi warga desa setempat (asal prosedur administratif terpenuhi sesuai dengan peraturan yang berlaku).
8. Untuk menunjang terselenggaranya administrasi desa di desa penerima Transmigrasi Sisipan, maka kegiatan kelembagaan desa agar ikut dipersiapkan pula. Ini disebabkan adanya pengaruh tambahan yang cukup besar dengan datangnya Transmigrasi Sisipan. Kegiatan kelembagaan ini agar dititikberatkan pada pembinaan teknisnya.

9. Agar dapat menambah kepekaan dalam menghimpun aspirasi dan konsepsi dari pihak Pemda dalam menyelenggarakan Transmigrasi Sisipan, disarankan agar terlebih dahulu diselenggarakan konsultasi dengan pihak Bappeda. Konsultasi dimaksudkan sebagai pemantapan konsepsi dan diusulkan diselenggarakan pada Bappeda daerah pengirim atau penerima ini (Sumsel atau Jateng). Jadwal penyelesaian konsep adalah sebagai berikut :

- tgl. 21 Nov. 1984 : Pembahasan Konsep Awal.
- tgl. 28 Nov. 1984 : Input diperoleh dari pihak Depdagri
- tgl. 30 Nov. 1984 : Konsep Final dikirim ke seluruh Pemda yang terkait (15 Pemda Tk. I).
- tgl. 1-14 Des. 84 : Konsep dibahas oleh Pemda.
- tgl. 15-17 Des. 84 : Konsultasi Pusat-Daerah di Semarang atau di Palembang.

Jakarta, 21 November 1984

Tim Inti Transmigrasi Sisipan
Biro Perencanaan
Departemen Transmigrasi,

OFFICE MEMORANDUM

DATE: November 23, 1984

TO: Files
FROM: M.C. Zenick *M.C. Zenick*
SUBJECT: Meeting with Mr. Martono, Minister of Transmigration

1. On October 26, Messrs. Davar, Rao, Price and Zenick called on Minister Martono. Also attending was Mr. Soedjino, the Minister's Assistant for International Affairs.
2. The Minister indicated that while the REPELITA III transmigration target of 500,000 families had been met, serious issues faced the program which he was seeking to resolve. He appreciated the assistance provided by the Bank and was happy with the understanding and cooperation we have shown. However, he was not happy with the way a number of things have gone, such as the Trans II Project and knew that we were not either. It had taken him a while to recognize that the project had not been prepared as well as he had earlier thought. This situation pointed up the need for improved project planning and execution. He considered that the quality of existing settlements required improvement in management as well as further development of infrastructure, education and health facilities and cooperatives.
3. The REPELITA IV target of 750,000 families will be difficult to reach while maintaining quality and making the necessary improvements in REPELITA III settlements. Perhaps one half or less than the first (current) year target of 125,000 families will be met.
4. The Minister indicated the following:
 - (a) Land availability and site selection were the greatest obstacles and conflicts over alternative land uses, particularly forestry, were slowing down progress. In addition, customary land use in accordance with local "adat" restricted land acquisition.
 - (b) His Ministry used 2 different systems in carrying out their activities - one for those financed by the World Bank and another for projects funded entirely from their own budget. They need to train staff for both types of projects and they need to be able to move more rapidly. Some progress was being made in these respects.
 - (c) The program was very costly and was limited by budgetary constraints. He was concerned that costs have risen sharply. The President wanted to improve efficiency and has asked the Vice President to meet with all the ministries involved in the program to resolve issues impeding progress.
 - (d) The program was evolving within the framework of broad Government policy, such as with respect to the use of domestic consultants and contractors. Their role in Bank-financed projects needs to be considered carefully.

(e) The demand for transmigration was very strong. Many people, including Jakarta residents are convinced that they could get a better life by moving to the new areas. As the settlements develop, positive feedback is filtering back and this is reinforcing the demand and encouraging spontaneous migration. He had spoken to Altaf Hussain on the latter question and was pleased that Gloria Davis would be coming in November to look at this subject.

5. In response to Mr. Davar's question, the Minister indicated that a new Presidential Decree, No. 59, had been issued on October 16 that is designed to strengthen the hand of the Transmigration Minister to coordinate the program. Under the Decree, the provincial Governor has responsibility, under the Minister, for program management and coordination and for resolving problems. The regulations applying the Decree were under preparation.

6. In reference to the execution of Trans II, the Minister indicated that certain components, such as the construction of an airstrip could not be undertaken since the Ministry of Communications did not consider this was warranted. Furthermore, since the settlement had been reduced from 30,000 families to 20,000, their need for funds had been reduced. In accordance with their review, a one year extension will be needed to complete the project as currently revised. Mr. Davar encouraged the Minister to consider restructuring the project to utilize the remaining balance. He stated that the Bank could consider a maximum extension of 2 years.

7. The Minister confirmed Mr. Davar's understanding that a new law would permit land acquisition in advance. The particular law was not specified.

8. Mr. Rao brought to the Minister's attention the last IGGI meeting at which a proposal had been made to hold a discussion on the transmigration program during the course of the year. The Minister indicated that he was preparing a short paper on the subject and he understood that Min. Ali Wardhana was planning for the IGGI ambassadors to have the discussion in February or March. He added that he had received visitors from the PNG and Australian Governments to whom he had explained the developmental purposes of the settlements in Irian Jaya so they understood that there were no foreign policy motivations. He had suggested that Indonesia and PNG each plan development activities on their sides of the border. Some of the land most suitable for transmigration sites were in the border areas.

9. The Minister indicated that education and health facilities in settlements were carried out by the respective Ministries but were funded from the Transmigration budget. He regretted that inadequacy of funds has delayed the provision of adequate facilities in these respects.

c.c. Messrs. Karaosmanoglu, Kirmani, Kaji, Davar, Altaf Hussain, Baudelaire,
Calderisi, Mrs. Hamilton, Miss Gloria Davis
Rao, Jeurling, Price, Klempin

File: Transmigration

MCZenick/w

Unscheduled Visit to Univ. of Gadj Mada to learn about work going on
on Transmigration (11/28/84)

After visiting the KanWil Transmigrasi office in Yogya, I went out to the university to see if Dr. Michael Dove (anthropologist) really was on home leave, as reported, and if any other work is going on on transmigration. I was accompanied by a Mr. Widodo of the KanWil, a graduate of UGM who knew just where to take me...

1. Dr. Dove was indeed on home leave, being scheduled to return to UGM in December. Dr. Sugeng Martopo (an Amsterdam-trained hydrologist) in the same Dept./Institute (Environmental Studies) will start some work on the environmental aspects of transmigration, in Dec. 1984. He told me that a Prof. Surastopo (Faculty of Geography) and a Dr. Sumitro (Faculty of Forestry) would also be doing some work in this area (not clear if they would be working on Dr. Sugeng's project or another). A Dr. Sudarjo in the Fac. of Forestry has already done 4-5 reviews on environmental protection in TM projects. A Dr. Udoro in the Fac. of PERTANIAN (Agr.) has also done some work -- not described. An Engr. Sumantri has been studying the swamp areas of Kalimantan, but not with any particular ref. to TM.

2. In general, UGM concentrates its field research on the country's eastern areas, and Kalimantan. This seems an informal (?) understanding with the sponsoring agencies at the center. The IPB (Bogor) takes Sumatera & western areas

3. I was lucky to find the Director of the Center for Population Studies free to talk with me for c. 20 minutes (during which time we were joined by Dr. Ib Bi Mantra, who works in the Pop. Center as well as the Fac. of Geography. Dr. Mantra has been doing some work on rural-urban migration, which includes some work on TM; this is an ASEAN project. Results must be ready in January 1985 for use at a conference in Chiangmai.

4. The (new) Ministry of Population and Environmental Affairs -- a State Ministry without provincial offices - will sponsor a new UGM study on "all aspects of the management of the transmigration program." This will start in early 1985, and will focus on "policy questions." The main promoter is apparently Dr. Kartomo, Asst. Minister -- a former cultural attache in the GOI Embassy in Washington. Neither the Pop. Center's director, Dr. Effendi, nor Dr. Mantra, had heard of the Bank's 1981 TM Review (I promised to send copies to both). We all agreed that it would be useful to coordinate our respective 1985 activities on TM "reviews."

5. The Dept. of Agr. Economics in the Fac. of Agr. (Pertanian) is also interested in TM. The Vice Dean in Pertanian, Eng. Ahmad Sutarmaji (also known as Eng. Memet) is said to be very familiar with the "human problems" of TM. A Sri Widodo has done something on TM, as has a Dr. Suratman. The Librarian of the Fac. Pertanian (very nice man w. good English) showed me the 10-15 pamphlets on TM they have in their library -- mostly short studies from late '70s, with 2-3 in English, rest in Bahasa. Both Widodo and Sutarmaji had meetings and could not see me. Phone no. to Inst. of Agr. Eco's is 3062.

6. Clearly, UGM is a place we should spend a couple^{ple} of days next year when getting into the larger TM review...

To: Sulekha Patel, N460

Age and sex structure of transmigrant population /1000 families

	Females	Males	Total
0-4	497	475	972
5-9	400	439	839
10-14	240	300	540
15-19	246	208	454
20-24	300	300	600
25-29	250	250	500
30-34	200	200	400
35-39	75	100	175
40-44	25	50	75
0-04	<u>2233</u>	<u>2322</u>	<u>4555</u>

~~0-04~~

~~0-04~~

In order to look at the impact of transmigration on sending provinces like and I suggest the following ~~0-04~~ 1980/1990 comparisons

1. Population growth in the absence of migration of any type
2. Pop Growth assuming \pm in-migration at historical levels (1970-1979 mig data)
3. Pop growth assuming sponsored migration ^{previous} (data sheet) and no additional migration (i.e. backflow = spont in-migration)
4. Sponsored migration plus net spontaneous migration of 2% each year for 10 years
5. Sponsored migration plus net spontaneous migration of 4% each year for 10 years

Gloria 74215

Corrected to account for children not moved
 90% of children 5-9, 75% of children 10-14, 60% of children 15-19
 . No children over 20 included in original sending population

0-4	0	105	384	308	188	48	4	1036
5-9	0	9	213	297	223	72	20	834
10-14	0	0	27	161	192	70	19	501
15-19	0	0	0	35	172	130	59	200
20-24	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
Total	0	114	624	801	775	320	101	2572

Total number of female children in the transmigrant population

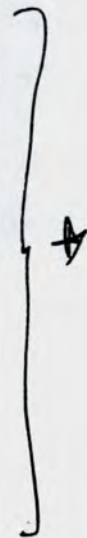
0-4	0	50	184	148	90	23	2	497
5-9	0	5	102	143	107	34	10	400
10-14	0	0	13	77	92	34	9	240
15-19	0	0	0	17	83	62	28	96
20-24	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
Total	0	55	300	384	372	154	49	1234

Total number of male children in transmigrant population

0-4	0	55	200	160	98	25	2	539
5-9	0	5	111	154	116	37	10	434
10-14	0	0	14	84	100	37	10	260
15-19	0	0	0	18	89	68	31	104
20-24	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
Total	0	60	325	416	403	166	53	1337

Age and sex structure of transmigrant population/1000 families

	Children			Adults			Total
	Females	Males	Total	Females	Males	Subtotal	
0-4	497	475	972				972
5-9	400	439	839				839
10-14	240	300	540				540
15-19	96	108	204	150	100	250	454
20-24				300	300	600	600
25-29				250	250	500	500
30-34				200	200	400	400
35-39				75	100	175	175
40-44				25	50	75	75
45-49							
Total	1233	1322	2555	1000	1000	2000	4555



TRANSAGE
Age Structure of Transmigration Population

Children	Age of Mother							
	under 15	15-19	20-24	25-29	30-34	35-39	40-44	
0-4	0.03	0.70	1.28	1.23	0.94	0.64	0.15	
5-9		0.07	0.79	1.32	1.24	1.06	0.88	
10-14			0.12	0.86	1.28	1.25	1.01	
15-19				0.14	0.86	1.30	1.17	
20-24					0.14	0.77	1.11	
25-29						0.11	0.67	
30-34							0.13	
Number of such mothers in a population of 1000 transmigrant families								
	under 15	15-19	20-24	25-29	30-34	35-39	40-44	
	0	150	300	250	200	75	25	1000
Number of children of such mothers								
0-4	0	105	384	308	188	48	4	1036
5-9	0	11	237	330	248	80	22	927
10-14	0	0	36	215	256	94	25	626
15-19	0	0	0	35	172	98	29	334
20-24	0	0	0	0	28	58	28	114
25-29	0	0	0	0	0	8	17	25
30-34	0	0	0	0	0	0	3	3
Total	0	116	657	888	892	385	128	3065

INS/78/046

cc Ms. Davis

ZCZC DIST8798 JWS0755
AEPTA
REF : TCP HC

JKT
RR
JAKARTA (IBRD) 11 0830Z
INTBAFRAD WASHINGTON

MISC 5634 FISHER INS/78/046 - REGIONAL INVESTMENT PLANNING.
EYE LOOF FORWARD OUR MEETINGS PERIOD 7 TO 17 JANUARY AS PROPOSED.
PLEASE NOTE EYE WILL DEPART INDONESIA 18 JANUARY FOR AGENCIES
CONSULTATIONS. WORLD BANK VISIT TENTATIVELY SCHEDULED 25 JANUARY.
REGARDS
(HANDY JAKARTA)
COL CKD

=12110654

ALT RTD FROM:ATAM

NNNN

~~Discuss some very preliminary findings and seek~~

~~your views on questions which they raise~~

would like to do

Discuss three main areas of interest

1. Incomes in Settlements / Farm models
2. Emerging organizational arrangements /
3. Long range plans.

Incomes / Farm Model

Fortunate to have BPS Survey

IFAD Survey, Euroconsult

Do not necessarily agree, wrestling with problems

Nevertheless is interesting information on two sub-
all farm work

in incomes according to farm model

1. all-farm work

BPS Survey shows average household income of about
Rp 55-60,000 / mo

of the BPS indicates only about one-third from
household agricultural production

IFAD Survey shows one half of cash income from
non-agricultural work

What does this mean?

1. Returns to food crop production are low
and food crops being produced mainly for
subsistence
2. Farmers rely heavily on non-agricultural

- Thank you - Joko / Soety / no
Collect very large amounts of information
only being analyzed.

work to obtain reasonable incomes and the
importance of such work should be recognized
in planning. For example

- a. labor intensive methods
- b. basic infra (roads) are lifeline for the common.
- c. Sustained investment needed to generate employ
- d. Given imp. of non-ag income, more careful in remote areas.

high
priority

second
stage

2. Incomes in relation to farm models

mentioned problems with survey, assuming constant biases

a. Farmers with highest incomes are in small # tree crop sites

b. Next most prosperous ~~land~~ ^{R.II}

R.II Tidal sites - 40% below income of Rp 50,000

Interestingly, the worst incomes in the sample

Rupelita III tidal sites are worst 85% below 50,000

Average income Rp 33,000

May explain recruitment problems

Why? One reason may be farm layout

60% of farmers in linear settlements say yields increasing (20% decreasing)

20% of farmers in nucleated settlements say yields increasing (50% decreasing)

c. Dryland Sponsored

c. In between - farmers appear to be meeting ^{minimum subsistence needs}

Rupelita II sites do slightly less well than

Rupelita III and recruitment of total

income from food crops declines after year about yr. 5

Could be due to better site selection

higher use of inputs
declining soil fertility

Main interest: where will income increases come from?

Food crops - mission will make rec to improve

- preliminary jud "take-off" not likely food crops

Tree crops - due to implementation constraints

only small proportion settled

must reorient PMU programs to existing area

off-farm work - Agauri

PIR/NES - -

Farm model

Institutional Issues

Recognize ministry is in transition
 Situation is in flux although ^{strong} foundation laid
 areas of emerging interest

1. Interagency coordination

old friend - we all know problems { General prob
Specific example

Rupetta III - Junior Minister = coordinating function

- Under new arrangements may be more diff
- particularly your views

Of particular concern is role of agriculture

- on one hand we note that MOA staff have strong views on the matters of /

farm layout

manual clearing, advocating

but they do not feel they have a strong voice

- on the other hand we note that agriculture not well organized to meet trans needs

matter of interest and concern

2. Internal Organization

- We note with interest the emerging role of SERGEN particularly policy making, M&E
- We have also noted very considerable transfer of responsibilities to the kakanures and the growing complexity of both their organizations and their work

- Finally interested in the steps taken to...

promote spontaneous movement in program

These topics are important affect both scale of the proposed program, long range goals

- SERPA -

KEPRES 59/84

87/
career pat

Long Range Plans

Topic of perhaps the most interest

Question: Where would we like to be
in 20 years

changing field

land availability
regional development
Spent trans

If we look 20 years ...

major impediments

land registration

lack of credit

May have significant implications:

Strong focus on moving other org.

might have implications for staff

Director General
Agraria Kertanegara
50,000 Kik on land
in Lampung

5,000 people -
Has formed women's
youth organizations
to help with spontaneous
migration
critical

Said quite a lot here mainly interested views on

coordination

Impact of new org arising on the scale

of implementation

long range plans

To: Joko Hartono
From: Gloria Davis
Subj: Data required on Transmigration budget by province

To complete the Sector Review we need a table showing budget allocations for the transmigration sector by province for Republik III and Years 1 & 2 of Republik IV. We also need total budget (APBN) by province for these years to permit us to calculate the % of total budget by province going to transmigration. These data are held by both BAPPENAS and BPS.

Province	1979/80	1980/81	1981/82	...	1985/86
Aceh	$\frac{\text{Amount Budgetted for Transsector}}{\text{Total APBN/province}}$				
N. Sumatra					
W. Sumatra					
etc					

These data are urgently required.

When this table is completed I would be grateful if you could send it to Mick Zenich on the RSI who will send it to Washington by facsimile

Needed - By Friday afternoon
(Departure Saturday morning)

Meetings

- 9:00 Thurs Keuangan -
- 10:30 Thurs Training ~~is~~ - confirmed - Mick Zenick

Data

Very Impr
See note

Requested?

Transmigration Sector BUDGET / PROVINCE - P.T. Planners (?)
From Rahbin (Socdirplja)

- YES 1. Details on/Critical Sites - Gloria
- YES 2. # People settled in Repelita III/IV by Farm Model / year-
- YES 3. Push factors (critical land/floods) causing families to move (Repelita III? Repelita IV) - Whitten (from Parz Edi)
- #4.

From Laras

- YES 1. Ministers Proclamation on treatment of indigenous people/transmigration V - Whitten
- YES 2. Report done for Dit. Social Budaya on ~~the~~ Inram Jaya ^{Whitten}
- YES 3. Report on S. Sumatra - Douglass

From Joko

- Belum Flow Charts - Organizational charts - Gloria
- Belum Contents of Subsistena package - Helen

land is the major constraint
~~constraint~~

Swahansa

Object - To maximize movement memperbesarkan penempatan
minimize cost mengurangi biaya

Priority - First preference for major assets (land) should
be given to those who can develop them
with a minimum amt. of addnl assistance

Type of settings where land can be identified

	Scale (ha)	T.J.
1. In existing transmigranion projects	1-50	KUPT Kupola
2. In former projects Adjacent to project areas	1-50 1-50	Bupai?
3. In surrounding areas	50-300	Governor

Incentives needed to get land ~~developed~~ identified

1. within Individual Holdings	} Budget for Agraria Small charge for org e' req KUPT paid by mot? Trans?
2. to existing projects within to individual holdings	
b. Adjacent to Project individual holdings	
c. Outside Project Areas	} Budget for Agraria Payment of Ad Fees to Bupai
3. <u>Small scale sites</u> (SISIPAN) 50-300KK	Site Selection - PANKIM - local consult Access - Agrarian Services - Agraria
3. <u>Large Scale Sites</u>	Known

Incentives needed to get land developed

1. Individual Holdings	No assistance Limited? cash assistance
2. Small scale sites	No assistance Limited assistance Partial Assistance assistance
3. Large Scale Remote areas	Partial assistance Full assistance

Possible Packages

	nonu	low	med low	med high	high
<u>Land + title</u>		house lot	house lot + 1 ha	house lot + 2 ha	3.5 ha
<u>Cleaning</u>	none	house lot	house lot + 1 ha	house lot + 1 ha ^{cash}	house lot + 1 ha
<u>Housing</u>	nonu		building mat	building mat + cash	built
<u>Subsistence</u>	nonu		3 mos	6 mos	12 mos
<u>Agricultural Inputs</u>					
<u>Fertilizer</u>	nonu		bimas/inmas	gratis 1 year	gratis 3 y
<u>Tools</u>	nonu		simple hoe	hoe + + r	

~~Individual Holdings~~ Sumatera

Minimum

~~Minimum~~ Package (Individual Holdings)

1.25 ha ~~package~~ (2.25 ha) + title

Homestead Package I ~~Small-scale sites~~ - Sumatera II

1.25 ha + title

house lot cleared

~~building materials at site~~

cash for building + subsistence

agricultural inputs + tools

~~(nonu + cash + subsistence)~~

~~tools~~ ~~tools~~

2.25 ha + title

house lot cleared + cash for

building materials + cash

agricultural inputs + tools

Partially-assisted ~~Settlement~~ Package ~~III~~ - Small-scale sites

2.25 ha + title

~~2.25 ha + title~~

house lot cleared + cash for ~~building~~ ~~house lot cleared~~

building material + cash for construction

ag inputs + tools for 6 mos

Subsistence supplies for 12 mos

Fully-assisted - Nonu

What do we need:

For population projections

Families moved / year 1907-1968 / 1969-1984

Age structure of families in settlements

Estimates of return migration

To understand Budget constraints

For ~~estimates~~ of success

1. Inventory of Repelita III sites

List of critical sites, type of problem

people involved (from monthly reports?)

2. Income Surveys

3. Baby weights

4. Other (monthly reports)

Constraints

Institutional Factors Affecting Potential Size of Program

A. ~~Site Availability~~ Budget Resources

B. Site Availability

ODA/TAG Review

Consultant Reports

Update on Agrarian Policy

C. Institutional Capacity

1. Planning

2. Selection / Settlement

~~3~~ # of Applications

Organization of site's BMU/

3. Agricultural Development

D. Environmental considerations

Spontan

Very large

how to monitor
how to encourage

Purpose: memperbanyakan pemukiman
menyuarangi ongkos - first preference to those
who can help themselves

~~How to monitor -~~~~How to encourage -~~~~Constraint: land availability~~~~migrants ability to support themselves~~

How does Spont. work? \leftarrow People follow leaders
Only experienced people move into new areas

~~Explanation of Spontaneous~~

Differences in Areas - Sumatra
- Kalimantan
- Irian Jaya

Constraints Land availability
migrants ability to support selves

Land availability - Settlement

large scale
~~individual~~ holdings - Trans/Pararia

Sisipam - small scale -

individual holdings -

large scale

Irian - full

Kalimantan - Tri Puncial

Sumatra - closed

Sisipam - Sumatra \leftarrow larger packet
smaller packet

Individual holdings - incentives \leftarrow BRI

Monitoring

Objectives - ^{Substantive material} What should be covered in BTO
What processing schedule should be followed.

Major Points - ~~the~~ data must be carefully evaluated

Significant demographic & possibly employment impact
Migrants likely meeting subsistence requirements
~~filter off~~

However

Very low ~~rates of~~ returns to food crop production
Limited prospects for introducing tree crops
on a scale commensurate with demand
from transmigration.

coverage

Also serious problems with tidal

Long term
Spontaneous

bulk of
income
off-farm
work

Task

Cautious evaluation of data
Building consensus on implications

How to be done

Dratt white cover early January
January internal review within this division
(possibly programs)
February yellow cover plus review
March Government

Resources Required

Helen
Ray Burton
Gloria

Coverage of BTO

Income category by year of Arrival

	KKLK	KKBK	Tree Crops	Tidal
>29,999	21.93	13.7	0	39.2
30-49,999	30.6	32.2	28.0	37.4
50-74,999	27.8	25.5	28.6	14.0
75-99,999	9.4	13.7	25.4	5.6
100 +	<u>10.1</u>	<u>14.9</u>	<u>18.0</u>	<u>4.0</u>

1999

1980

	Upland			Tidal		Tree Crops
--	--------	--	--	-------	--	------------

	KKLK (II)	KKLK (III)	KKBK	Tidal (II)	Tidal (III)
>29,000	29.1	11.6	13.7	14.6	44.9
30-49,999	26.0	37.4	32.2	24.2	40.1
50-74,999	25.3	31.5	25.5	30.8	10.2
75,99,999	9.3	9.6	13.7	22.5	1.7
100 +	10.3	9.9	14.9	8.3	3.1
	100.0	100.0			

below 50,000 55.1 49.0 45.9 38.8 85.0

Transmigration IMonitoring and Evaluation Component

Under the Transmigration I project about US\$1.0 million was provided for long term monitoring and evaluation. The SAR specified that this contract was to go to IPB and it was agreed that the monitoring and evaluation team would be headed by Dr. Tjondronegoro one of Indonesia's most important social scientists and the founder and head of the DGT Training and Research Center in the mid 1970's. Both the commitment to long-term monitoring and the choice of IPB/Tjondronegoro appeared very sound at appraisal but this component has been among the weakest in the project.

Major problems encountered in implementation were as follows:

- a) prolonged delays in budgeting, contracting and mobilization severely curtailed the scope of work and actual study time was reduced from 5 to about 2 years; the cost, however, was reduced only from US 1.0 to US\$600,000.
- b) due in part to the availability of large amounts of money the scope of work proposed by IPB was far too ambitious and resulted in massive data collections which could not be analyzed in the time available;
- c) topics for research were determined by the needs of researchers and students rather than implementing officials and policy makers;
- d) absence of full time staff resulted in partial supervision of work, weak analysis and delayed reports. Because of these difficulties the IPB contract was not continued under the project extension but a monitoring and evaluation unit was established within the PMU.

The MET Team consisted of 7 core team members (mainly IPB faculty), 10 assistants and four coordinators. In addition 12 enumerators and 2 field coordinations were employed ~~in~~ on site. The main topics for investigation were: baseline study, agricultural adaptation, agricultural marketing leadership and locational analysis. Very detailed materials were collected and computerized

but analysis to date has been largely descriptive. From this work 2 faculty will obtain PhD's and 6 students will complete their master's level dissertations. MET also proposes to encourage students to use these materials when the project is complete, a proposal to which we have no objections. Under the project the ability of IPB to undertake social analysis was improved and the academic community undoubtedly benefitted, but neither the content of the work, nor the structure for ongoing investigation are satisfactory.

Lessons learned:

- a) In developing countries such as Indonesia the multiple responsibilities of academics make it difficult for them to effectively prepare proposals, follow through on contracting procedures and mobilize study teams. This suggests that more attention is required to the organizational support for research at appraisal;
- b) All aspects of the investigation (number of people, data collection, etc.) were too ambitious and academic suggesting the need for agreement on very concrete TORs in such a situation and conservative assumptions about the amount of money which can be effectively utilized; and
- c) the divergent objectives of the academics and the implementers and policy makers suggests that either full time consultants or in house monitoring capability is to be preferred to the arrangements in Trans I

Transmigration I

Project Management

The existence of a PMU which has the authority to contract for all goods and services has been a major focus of interest in the project.

Under the Transmigration I project all funds were allocated to the DGT for site preparation, settlement, agricultural development and tree crop development and most activities were carried out by contractors to the PMU. This permitted close coordination of activities and considerable flexibility in implementation.

Another advantage of the PMU and, in fact, an extended DGT presence in all sites is that the necessary staff in agricultural extension, education and health can be lifted from the transmigrant population and provided with honoraria until staff positions can be created in the line agencies and suitable candidates can be placed. Although the line agencies are generally opposed to this practice as it frequently results in the utilization of sub-standard staff, it has provided a useful bridging mechanism in Transmigration I and accelerated the provision of agricultural and social services. For example, after project start-up the PMU recruited 18 extension workers, 1 per village, in Way Abung and arranged on-the-job training in cooperation with local research staff. As this exceeds the number permitted for the Kecamatan, 6 have been absorbed by the Department of Agriculture in WA and the others relocated in other settlements. Similarly, virtually all teachers were initially hired by DGT and 11 are still receiving only DGT honoraria.

Some inefficiencies have also been introduced by this system. For example, fertilizers have been purchased from the DGFCFA at an inflated price and the PMU has paid a very high price for tree crop development for which PTP X is the sole supplier. Quality control has also posed some problems.

The main question is whether the system is replicable. The PMU employs more than 200 staff (check) in Baturaja, most of whom are not permanent residents of the area. Government has used this to argue against the PMU system in the past, but the lesson in productivity of the farmers and security have yet to be fully analyzed.

COMMENTS ON DAFTAR III TO THE 1984

TRANSMIGRANT INCOME SURVEY

1. Background

The Consultants were asked to make preliminary examination of the 3rd volume of results obtained during the Transmigrant Income Survey conducted in late 1984 and early 1985.

The results obtained from Daftar III Questionnaire relate to -

- a. demography
- b. agricultural activities
- c. income earning activities

And are drawn from 21 schemes settled during Repelita II and 97 schemes settled during Repelita III, distributed as shown in Table 1.1

TABLE 1.1
DISTRIBUTION OF RESPONDENTS BY PROVINCE

Province	Number of kabupatens	Settlements Commenced in	
		Repelita II	Repelita III
Riau	3	2	19
Sumatera Selatan	4	14	33
Kalimantan Tengah	3		23
Kalimantan Timur	3	3	2
Kalimantan selatan	2		12
Sulawesi Tengah	1	2	
Sulawe Tenggara	1		8
		21	97

2. Methodology

The data from this volume of the Questionnaire will eventually be analysed by the Biro Pusat Statistik, who designed and implemented the survey. Consequently the data attached is of a very preliminary nature and may be subject to change in final print.

Tabulation...../

Tabulation of results has been undertaken by manual methods following perusal of the individual field questionnaires. Results have not been statistically tested and in a;; cases, graphs prepared were found to be inconclusive in indicating trends. Consequently the data as presented is simply to indicate the nature of information available and the scope of content.

Of the total of 97 settlement schemes settled during Repelita III, 9 were initiated within the 12 months preceding the survey. Consequently data on demographic trends from these sites has not been included in assessments. In a number of cases data presented appears suspect. However as the Consultants were not involved at earlier stages of the survey the information supplied has been accepted at face value.

3. Observations

3.1. Movement Away From Transmigration Settlement Schemes.

Despite rumours that many transmigrants have in the past "walked-off" settlement schemes, the data from the survey indicates otherwise.

The schemes surveyed which were settled during Repelita II have experienced a net gain at the rate of 1 family per settlement every 10 years. The average rate of change for 85 of the 97 schemes settled during Repelita III is a loss of 1 family per scheme every 5 years (Tables 1.2 and 1.3).

Public transmigrants, of the 4 categories of transmigrants have the least "stickability" and this most pronounced on schemes in Sulawesi and to a lesser extent Kalimantan and Riau (Table 1.2)

The loss rates are surprisingly low and indicate by and large the success of the schemes sampled. However the loss rates can also show up problem areas such as Kutai kabupaten where one scheme has been losing settlers at a rate of 63 families per year (Table 2.2).

3.2. Other Sources of Income.

The most favoured occupations, as a source of supplementary, or even principal income, are agricultural type activities. Nearly 50% of those schemes report that settlers engaged in additional cash occupations indicated that settlers were working as labourers either on others farms or estates within the general settlement area. Small scale business, such as shop-keeping and plying a trade in skills such as carpentry were common to many schemes. It is also encouraging to note the number of schemes where settlers are engaged

in..../

cottage industries (Table 1.4).

Surprising on more than 50% of the respondent Set - tlements non-transmigrants derived income from annual crop or tree crop production (Table 1.5). On a further 19% of schemes non-transmigrants were involved in other forms of agriculture.

3.3 Limitations to Productivity.

In almost all cases respondents indicated that the incidence of pests in crops was the main limitation to productivity (Table 1.6). The occurrence of droughts was considered less of a problem and several schemes reported no problems limiting productivity (Table 2.9 and 3.9).

4. Questionnaire and Results

A summary of pertinent results are attached as Tables 2.1 to 2.9 in respect of the 21 schemes settled under Repelita II and as Tables 3.1 to 3.9 in respect of the 97 schemes settled under Repelita III. Daftar III of the questionnaire (in English) is attached as Annex 1.

David Ives
(Team Leader)

Table 1.2

COMPARISON OF RATE OF CHANGE OF TYPE
OF TRANSMIGRANT IN VARIOUS PROVINCES
(Families per settlement scheme per year)

	Repelita II					Repelita III				
	PT	ABRI	Local	ST	All	PT	ABRI	Local	ST	All
Riau	-3.1		0.0	2.3	-0.8	-11.0	-	0	4.3	-10.7
Sumatera Selatan	1.5	-0.9		0.2	1.2	-1.3	-0.7	-0.7	3.9	1.5
Kalimantan Tengah						-1.4	0	-0.2	1.7	-0.5
Kalimantan Timur	-5.1	0.0	-1.7	-0.7	-7.0	-5.2	-0.3	0.4	0.5	-4.7
Kalimantan Selatan						-2.5	-0.1	-1.5	0.4	-3.5
Sulawesi Tengah	-10.2	0.2	-0.2	4.4	-3.5					
Sulawesi Tenggara						-12.9	0.1	-0.4	3.0	-10.5
All Provinces	0.2	-0.4	-0.2	0.2	0.1	-0.5	-0.2	-0.2	0.4	-0.2

PT - Public transmigrants
 ABRI - Armed Forces transmigrants
 Local - Local transmigrants
 ST - Spontaneous transmigrants

POPULATION CHANGE AMONGST TRANSMIGRANT
FAMILIES (KK/SKP/YEAR)

	REPELITA II	REPELITA III
Public Transmigrants	0.2	-0.4
ABRI Transmigrants	-0.4	-0.2
Local Transmigrants	-0.2	-0.2
Spontaneous Transmigrants	0.2	0.4
All Transmigrants	0.1	-0.2

TABLE 1.4

NUMBER OF KABUPATEN REPORTING TRANSMIGRANT SOURCES
OF INCOME (OTHER THAN TRANSMIGRATION WORK)
DERIVING PREDOMINANTLY FROM

	WITHIN TRANSMIGRATION SETTLEMENT AREAS %		OUTSIDE TRANSMIGRATION SETTLEMENT AREAS %	
	II	III	II	III
General farm labouring	29	14		10
Farm labourers on estate	14	34	29	6
Fishing		6		
Livestock production		6		
Construction work 2)	5	4	10	
Road building		4		
Coal Mining			5	
Land clearing		11		3
Business activities 3)	33	38	5	5
Cottage industry	14	11		25
Total schemes	67	99	33	42

- 1) Of those reporting other sources of income
- 2) labouring work only
- 3) includes freelance work for tradesmen

TABLE 1.5

SOURCES OF INCOME OF NON-TRANSMIGRANTS
ON TRANSMIGRATION SETTLEMENTS

	Repelita II % of schemes where non-transmi grants derive income from : -	Repelita III
1. Food crop farming	52	53
2. Estate crop farming	5	4
3. Animal husbandry	5	14
4. Other farming activities	14	5
5. Industry or handicrafts		4
6. Trading activities	5	9
7. Services or construction	14	24
8. Receive earning from elsewhere	5	9

TABLE 1.6

PRINCIPAL LIMITATIONS TO
AGRICULTURAL PRODUCTION

Main factor limiting production	Schemes developed during :	
	Repelita II	Repelita III
	(% of total schemes surveyed)	
Pests	86	92
Flooding	5	9
Drought	14	17
Other problems	10	18
No limitations	5	3

DISTRIBUTION BY TYPE OF SETTLERS ON 21 SCHEMES
SETTLED UNDER REPELITA II

Table 2.1

PROVINCE	KABUPATEN	Public Transmi-grants	ABRI Transmi-grants	Local Transmi-grants	Spontaneous Transmi-grants	Other Settlers	Total
RIAU	Indragiri Hilir	823	-	58	24	0	905
SUMATRA SELATAN	Ogan Komering Hulu	1703	5	-	19	797	2524
	Ogan Komering Ilir	4300	577	-	190	94	5161
	Musi Banyu Asin	490	-	-	21	85	596
	Sub-total	6493	582		230	976	8281
KALIMANTAN TIMUR	Pasir	1005	2	2	107	15	1131
	Kutai	212	-	42	30	10	294
	Sub-total	1217	2	44	137	25	1425
SULAWESI TENGAH	Donggala	830	3	15	74	13	935
	Total	9363	587	117	465	1014	11546
	%	81.0	4.7	1.0	4.0	8.8	

Table 2.2

CHANGE IN SETTLEMENT COMPOSITION : ALL TRANSMIGRANTS
UNDER REPELITA II

PROVINCE	KABUPATEN	KK at Settlement	KK at Survey	Change	% change	Average time of Settlement	Rate of Change KK/month	No of schemes	Average change KK/SKP/year
RIAU	Indragiri Hilir	914	905	-9	-1.0	64	-0.1	2	-0.8
SUMATRA SELATAN	Ogan Komering Hulu	1692	1727	35	2.1	77	0.5	4	1.4
	Ogan Komering Ilir	4668	5067	399	8.5	103	3.9	9	5.2
	Musi Banyu Asin	520	511	-9	-1.7	119	-0.1	1	-0.9
	Sub-total	6880	7305	425	6.2		1.4	14	1.2
KALIMANTAN TIMUR	Pasir	1062	1116	54	5.1	70	0.8	2	4.7
	Kutai	547	284	-263	-48.1	50	-5.3	1	-63.1
	Sub-total	1609	1400	-209	-13.0		-1.7	3	- 7.0
SULAWESI TENGAH	Donggala	980	922	- 58	5.9	100	-0.6	2	- 3.5
	T o t a l	10383	10532	149	1.4		0.3	21	0.1

CHANGE IN SETTLEMENT COMPOSITION : PUBLIC TRANSMIGRANTS
UNDER REPELITA II

Table 2.3

PROVINCE	KABUPATEN	KK at Settlement	KK at Survey	Change	% Change	Average time of settlement	Rate of change KK/month	No of SKP	Rate of change KK/year/SKP
RIAU	Indragiri Hilir	856	823	-33	-3.8	64	-0.5	2	-3.1
SUMATRA SELATAN	Ogan Komering Hulu	1676	1703	27	1.6	77	0.4	4	1.1
	Ogan Komering Ilir	3801	4300	499	13.1	103	4.8	9	6.5
	Musi Banyu Asin	499	490	-9	-1.8	119	0.0	1	-0.2
	Sub-total	5976	6493	517	8.7		1.7	14	1.5
KALIMANTAN TIMUR	Pasir	899	1005	106	11.8	70	1.5	2	9.1
	Kutai	470	212	-258	-54.9	50	-5.2	1	61.9
	Sub-total	1369	1217	-152	-11.0		-1.3	3	-5.1
SULAWESI TENGAH	Donggala	980	830	-150	-15.3	88	-1.7	2	-10.2
	TOTAL	9181	9363	182	2.0		0.3	21	0.2

CHANGE IN SETTLEMENT COMPOSITION : ABRI TRANSMIGRANTS
UNDER REPELITA II

Table 2.4

PROVINCE	KABUPATEN	KK at settlement	KK at survey	Change	% Change	Average age of settlement	Rate of change KK/month	No of SKP	Rate of change KK/SKP/year
RIAU	Indragiri Hilir								
SUMATRA SELATAN	Ogan Komering Hulu	5	5	0	0	77	0	2	0
	Ogan Komering Ilir	717	577	-140	-19.5		-1.4	8	-2.0
	Musi Banyu Asin								
	Sub-total	722	582	-140	-19.4		-0.8	10	-0.9
KALIMANTAN TIMUR	Pasir Kutai	2	2	0	0	70	0	1	0
	Sub-total								
SULAWESI TENGAH	Donggala	0	3	3	-	88	0	2	0.2
	TOTAL	724	587	-137	-18.9		-0.4	13	-0.4

Table 2.7

REPELITA II
 NUMBER OF KABUPATEN REPORTING TRANSMIGRANT SOURCES
 OF INCOME (OTHER TRANSMIGRATION WORK)
 DERIVING PREDOMINANTLY FROM

	WITHIN TRANSMIGRATION	% ^{1/}	OUTSIDE TRANSMIGRATION	% ^{1/}
General farm labouring	6	28.6	-	
Farm labourers on estate	3	14.3	6	28.6
Fishing	-		-	
Livestock production	-		-	
Construction work 2)	1	4.8	2	9.5
Road building	-		-	
Coal mining 3)	-		1	4.8
Business Activities 4)	7	33.3	1	4.8
Cottage industry	3	14.3	-	
Total schemes	14	66.7	7	33.3

1/ Of those reporting other sources of income (21 schemes)

2) Labouring work only

3) Kutai Kabupaten only

4) Includes freelance work for tradesmen

SOURCE OF INCOME OF SETTLERS OTHER THAN
TRANSMIGRANTS UNDER REPELITA II

Table 2.8

PROVINCE	KABUPATEN	NUMBER OF SCHEMES WHERE NON TRANSMIGRANT FAMILIES DERIVE INCOME FROM :								Total non transmigrant KK	Total KK Transmigrants
		1 ^{1/}	2	3	4	5	6	7	8		
RIAU	Indragiri Hilir	2	1	1	1		1			nd	905
SUMATRA SELATAN	Ogan Komering Hulu	4								797	1727
	Ogan Komering Ilir	2			2			1		94	5067
	Musi Banyu Asin	1								85	511
	Sub-total	7			2			1		976	7305
KALIMANTAN TIMUR	Pasir Kutai							1	1	15	1116
								1		10	284
	Sub-total							2	1	25	1400
SULAWESI TENGAH	Donggala	2								13	922
	Total	11	1	1	3		1	3	1	1014	10532
	%	52.4	4.8	4.8	14.3	-	4.8	14.3	4.8		

ASSESSED LIMITATIONS TO AGRICULTURAL
 PRODUCTION ON 21 SCHEMES DEVELOPED UNDER REPELITA II

Table 2.9

PROVINCE	KABUPATEN	TOTAL NUMBER OF SKP	NUMBER OF SCHEMES ON WHICH PRINCIPAL LIMITATIONS ASSESSED TO BE -				NO LIMITA TIONS TO PRODUCTION
			PESTS	FLOODING	DROUGHT	OTHERS	
RIAU	Indragiri Hilir	2	2		1	1	
SUMATRA SELATAN	Ogan Komering Hulu	4	2		1		1
	Ogan Komering Ilir	9	8		1		
	Musi Banyu Asin	1	1				
	Sub-total	14	11		2		1
KALIMANTAN TIMUR	Pasir	2	2			1	
	Kutai	1	1				
	Sub-total	3	3		1		
SULAWESI TENGAH	Donggala	2	2	1			
	TOTAL	21	18	1	3	2	1
	%		86	5	14	10	5

Table 3.1

DISTRIBUTION BY TYPE OF SETTLER ON 97 SETTLEMENT SCHEMES
SETTLED UNDER REPELITA III

PROVINCE	KABUPATEN	TRANSMIGRANTS :				Other residents	Total
		Public	ABRI	Local	Spontaneous		
RIAU	Indragiri Hulu	5110		590	412	354	6466
	Kampar	400*		100			500
	Sub-total	5510		690	412	354	6966
	%	79.1		9.9	5.9	5.1	100
SUMATRA SELATAN	Ogan Komering Hulu	1490	115	179	83	14	1881
	Ogan Komering Hilir	6772	105	562	1763	67	9269
	Musi Banyu Asin	2359	8	114	31	20	2532
	Muara Enim	502	45	85	165	20	817
	Sub-total	11123	273	940	2042	121	14499
	%	76.7	1.9	6.5	14.1	0.8	100
KALIMANTAN TENGAH	Kota Waringin Barat	1116	2	12	20	6	1156
	Kota Waringin Timur	365		40	11		416
	Kapuas	11558	4	786	272	596	13216
	Sub-total	13039	6	838	303	602	14788
	%	88.2	0.0	5.7	2.0	4.1	100
KALIMANTAN TIMUR	Pasir	147		4	48	3	202
	Balikpapan	265	-		61	36	362
	Sub-total	412		4	109	39	564
	%	73.0		0.7	19.3	6.9	100
KALIMANTAN SELATAN	Kota Baru	4547	7	245	34	260	5093
	Barito Kuala	651		74	55	nd	780
	Sub-total	5198	7	319	89	260	5873
	%	88.5	0.1	5.4	1.5	4.4	100
SULAWESI TENGGARA	Kendari	2222	55	241	88	148	2754
	%	80.7	2.0	8.8	3.2	5.4	100
	TOTAL	37504	341	3032	3043	1524	45444
	%	82.5	0.8	6.7	6.7	3.4	100

* Indicative figure only

Table 3.2

CHANGE IN SETTLEMENT COMPOSITION : ALL TRANSMIGRANTS^{1/}
UNDER REPELITA III

PROVINCE	KABUPATEN	KK at Settlement	KK at Survey	Change	% Change	Average time of settlement	Rate of change KK/month	No of schemes	Average Change KK/SK/yr				
RIAU	Indragiri Hulu Kampar	6599	6112	-487	-7.4	39	-12.5	14	-10.7				
	Sub-total												
	%												
SUMATRA SELATAN	Ogan Komering Hulu	1727	1867	140	8.1	44	3.2	4	9.5				
	Ogan Komering Hilir	8794	9202	408	4.6	34	12.0	20	7.2				
	Musi Banyu Asin	2538	2512	-26	-1.0	36	-0.7	5	-1.7				
	Muara Enim	800	797	-3	-0.4	21	-0.1	2	-0.9				
	Sub-total	13859	14378	519	3.7		3.8	31	1.5				
	%												
KALIMANTAN TENGAH	Kota Waringin Barat	812	812	0	0	20	0	2	0				
	Kota Waringin Timur	402	418	16	4.0	20	0.8	1	9.6				
	Kapuas	11690	11610	-80	-0.7	36	-2.2	18	-1.5				
	Sub-total	12904	12840	-64	-0.5		-0.8	21	-0.5				
	%												
KALIMANTAN TIMUR	Pasir	151	199	48	31.8	108	0.4	1	5.3				
	Balikpapan	540	326	-214	-39.6	106	-2.0	1	-24.2				
	Sub-total	691	525	-166	-24.0		0.8	2	-4.7				
	%												
KALIMANTAN SELATAN	Kota Baru	5178	4854	-324	-6.3	36	-9.0	10	-10.8				
	Barito Kuala	920	946	26	2.8	50	0.5	2	3.1				
	Sub-total	6098	5800	-298	-4.9		-3.5	12	-3.5				
	%												
SULAWESI TENGGARA	Kendari	2838	2606	-232	-8.2	33	-7.0	8	-10.5				
	%												
	TOTAL	42989	42261	-728	-1.7		-1.2	2) 88	-0.2				

1/ Includes, Public, ABRI, Local and Spontaneous Transmigrants

2/ Schemes where settlement has occurred within 12 months preceding date of survey not included.

Table 3.3

CHANGE IN SETTLEMENT COMPOSITION : PUBLIC TRANSMIGRANTS
UNDER REPELITA III

PROVINCE	KABUPATEN	KK at Settlement	KK at Survey	Change	% Change	Average time of settlement	Rate of change KK/month	NO of schemes	Average change KK/yr/scheme				
RIAU	Indragiri Hulu Kampar	5791	5110	-681	-11.8	39	-17.5	14	-15.0				
	Sub-total	5791	5110	-681	-11.8	39	-17.5	14	-15.0				
	%												
SUMATRA SELATAN	Ogan Komering Hulu	1335	1490	155	11.6	44	3.5	4	10.6				
	Ogan Komering Hilir	7214	6772	-442	-6.1	34	-13.0	20	-7.8				
	Musi Banyu Asin	2366	2359	-7	-0.3	36	-0.2	5	-0.5				
	Muara Enim	669	502	-167	-25.0	21	-8.0	2	-47.7				
	Sub-total	11584	11123	-461	-4.0	21	-3.4	31	-1.3				
	%												
KALIMANTAN TENGAH	Kota Waringin Barat	796	796	0	0.0	20	0.0	2	0.0				
	Kota Waringin Timur	360	365	5	1.4	20	0.3	1	3.0				
	Kapuas	10776	10554	-222	-2.1	36	-6.2	18	-4.1				
	Sub-total	11932	11715	-217	-1.8	76	-2.9	21	-1.4				
	%												
KALIMANTAN TIMUR	Pasir	100	147	47	47.0	108	0.4	1	5.2				
	Balikpapan	497	265	-232	-46.7	106	-2.2	1	-26.3				
	Sub-total	597	412	-185	-31.0		-0.9	2	-5.2				
	%												
KALIMANTAN SELATAN	Kota Baru	4765	4547	-218	-4.6	36	-6.1	10	-7.3				
	Barito Kuala	645	651	6	0.9	50	0.1	2	0.7				
	Sub-total	5410	5198	-212	-3.9		-2.5	12	-2.5				
	%												
SULAWESI TENGGARA	Kendari	2505	2222	-283	-11.3	33	-8.6	8	-12.9				
	%												
	TOTAL	37789	35786	-2009	-5.3		-3.4	88	-0.5				

Table 3.4

CHANGE IN SETTLEMENT COMPOSITION : ABRI TRANSMIGRANTS
UNDER REPELITA III

PROVINCE	KABUPATEN	kk at Settlement	kk at Survey	Change	Average time of settlement	% Change	Change No. of kk per month	No. of SKP	Rate of change kk/SKP/yr				
RIAU	Indragiri Hulu Kampar												
	Sub-total												
	%												
SUMATRA SELATAN	Ogan Komering Hulu	132	115	-17	44	-12.9	-0.4	4	-1.2				
	Ogan Komering Hilir	204	105	-99	41	-48.5	-2.4	5	-5.8				
	Musi Banyu Asin	7	8	1	40	14.3	0.0	4	0.1				
	Muara Enim	51	45	-6	20	-11.8	-0.3	1	-3.6				
	Sub-total	394	273	-121		-30.7	-0.8	14	-0.7				
	%												
KALIMANTAN TENGAH	Kota Waringin Barat	2	2	0	20	0	0	2	0				
	Kota Waringin Timur	2	2	0	31	0	0	2	0				
	Kapuas												
	Sub-total	4	4	0		0	0	4	0				
	%												
KALIMANTAN TIMUR	Pasir Balikpapan	3	0	-3	106	-100	0.0	1	-0.3				
	Sub-total												
	%												
KALIMANTAN SELATAN	Kota Baru Barito Kuala	8	7	-1	31	-12.8	0.0	4	-0.1				
	Sub-total												
	%												
SULAWESI TENGGARA	Kendari	54	55	1	29	1.9	0.0	3	0.1				
	%												
	TOTAL	465	341	-124	362	-26.7	-0.3	22	-0.2				

R E P E L I T A I I I
 NUMBER OF KABUPATENS REPORTING TRANSMIGRANT SOURCES
 OF INCOME (OTHER THAN TRANSMIGRATION WORK)
 DERIVING PREDOMINANTLY FROM

	WITHIN TRANSMIGRATION SETTLEMENT AREAS	% ^{1/}	OUTSIDE TRANSMIGRATION SETTLEMENT AREAS	% ^{1/}
General farm labouring	11	14	8	10
Farm labourers on estates	27	35	5	6
Fishing	5	6	-	
Livestock production	5	6	-	
Construction work	3	4	-	
Road building	3	4	-	
Land clearing	9	11	2	3
Business activities	30	39	4	5
Cottage industry	9	11	20	25
Total schemes	77	99	33	42

1/ of those reporting other sources of income (78 schemes)

Table 3.6

CHANGE IN SETTLEMENT COMPOSITION : SPONTANEOUS TRANSMIGRANTS
UNDER REPELITA

PROVINCE	KABUPATEN	KK at Settlement	KK at Survey	Change	Average time of Settlement	% Change	Change-No of KK per month	No of SKP	Rate of change KK/SKP/Year				
RIAU	Indragiri Hulu Kampar	217	412	195	39	89.1	5.0	14	4.3				
	Sub-total												
	%												
SUMATRA SELATAN	Ogan Komering Hulu Ogan Komering Hilir Musi Banyu Asin Muara Enim	46 661 40 0	83 1763 31 165	37 1102 - 9 165	44 35 36 21	80.4 116.7 -22.5 -	0.8 31.5 -0.3 7.9	4 18 5 2	2.5 21.0 -0.6 47.1				
	Sub-total	747	2042	1295		173.4	9.5	29	3.9				
	%												
KALIMANTAN TENGAH	Kota Waringin Barat Kota Waringin Timur Kapas	2 0 52	2 11 270	0 11 218	20 20 36	0 0 419.2	0 0.6 6.1	2 1 18	0 6.6 4.0				
	Sub-total	54	283	229		424.1	3.0	21	1.7				
	%												
KALIMANTAN TIMUR	Pasir Balikpapan	51 40	48 61	-3 21	108 106	-5.9 52.5	0.0 0.2	1 1	-0.3 2.4				
	Sub-total	91	109	18		19.7	0.1	2	0.5				
	%												
KALIMANTAN SELATAN	Kota Baru Barito Kuala	49 200	55 221	6 21	50 39	12.2 10.5	0.1 0.5	8 2	1.7 3.2				
	Sub-total	249	276	27		10.8	0.3	10	0.4				
	%												
SULAWESI TENGGARA	Kendari	30	88	58	33	152.6	1.76	7	3.0				
	%												
	TOTAL	1388	3210	1822	587	131.3	3.1	83	0.4				

Table 3.8

SOURCE OF INCOME OF SETTLERS OTHER THAN
TRANSMIGRANTS

PROVINCE	KABUPATEN	Number of Schemes Where non-Transmi- grant Families Derive Income From -								No of KK (others)	Total No	% of Total
		1/ 2	3	4	5	6	7	8				
RIAU	Indragiri Hulu Kampar	13	-	4	1	-	-	-	-	354	6966	5.1
	Sub-total											
	%											
SUMATRA SELATAN	Ogan Komering Hulu	2							2	14	1881	0.7
	Ogan Komering Hilir	12	1	5		2	5		3	67	9269	0.7
	Musi Banyu Asin	2					1			20	2532	0.8
	Muara Enim							2		20	817	2.4
	Sub-total	16	1	5		2	6	2	5	121	14499	0.8
	%											
KALIMANTAN TENGAH	Kota Waringin Barat								2	6	1156	0.5
	Kota Waringin Timur									nd	416	
	Kapuas	6					2	12	2	596	13216	4.5
	Sub-total	6					2	14	2	602	14788	4.1
	%											
KALIMANTAN TIMUR	Pasir	1		1					1	3	202	1.5
	Balikpapan								1	36	362	9.9
	Sub-total	1		1					2	39	564	6.9
	%											
KALIMANTAN SELATAN	Kota Baru	7	3	4	4	2	1	3	1	260	5093	5.1
	Barito Kuala	2								nd	780	
	Sub-total	9	3	4	4	2	1	3	1	260	5873	4.4
	%											
SULAWESI TENGGARA	Kendari	6						3	1	148	2754	5.4
	%											
	TOTAL	51	4	14	5	4	9	24	9	1524	45444	3.4
	As % of 97 SKP	53	4	14	5	4	9	24	9			

1/ Sources of income deriving from :

- | | |
|-----------------------------|-----------------------------|
| 1. Food crop farming | 2. Estate crop farming |
| 3. Animal Husbandry | 4. Other farming activities |
| 5. Industry or handicrafts | 6. Trading activities |
| 7. Services or construction | 8. Earnings receive |

Table 3.9

ASSESSED LIMITATIONS TO AGRICULTURAL PRODUCTION
ON 97 SCHEMES DEVELOPED UNDER REPELITA III
(Number of Schemes Reporting Limitations Due to : -)

PROVINCE	KABUPATEN	Total No. SKP	Pests	Flooding	Droughti- ness	Other	None						
RIAU	Indragiri Hulu Kampar	19	19	0	5	4	0						
	Sub-total												
	%												
SUMATRA SELATAN	Ogan Komering Hulu Ogan Komering Hilir Musi Banyu Asin Muara Enim	4 20 5 2	4 19 4 2	0 1 0 0	1 3 0 0	1 5 1 0	0 0 0 0						
	Sub-total	31	29	1	4	7	0						
	%												
KALIMANTAN TENGAH	Kota Waringin Barat Kota Waringin Timur Kapuas	4 1 20	2 1 20	0 0 4	0 0 2	0 0 4	2 0 0						
	Sub-total	25	23	4	2	4	2						
	%												
KALIMANTAN TIMUR	Pasir Balikpapan	1 1	0 1	0 0	1 1	0 0	0 0						
	Sub-total	2	1	0	2	0	0						
	%												
KALIMANTAN SELATAN	Kota Baru Barito Kuala	10 2	9 1	1 0	3 0	2 1	1 0						
	Sub-total	12	10	1	3	3	1						
	%												
SULAWESI TENGGARA	Kendari	8	7	3	1	0	0						
	%												
	TOTAL	97	89	8	17	18	3						
	%		92.0	9.3	16.5	17.5	3.1						

I. PLACE IDENTIFYING

- 1 P r o v i n c e
- 2 D i s t r i c t
- 3 S U B - D I S T R I C T
- 4 L o c a t i o n o f S e t t l e m e n t
- 5 T r a n s m i g r a n t S e t t l e m e n t U n i t (TSU=UPT)
- 6 S a m p l e C o d e N u m b e r
- 7 S u b m i t a l t o R e g i o n a l A d m i n i s t r a t i o n Submitted - 1 Pending -2
Local Government

II. C E N S U S D A T A

- 1 N a m e o f C e n s u s t a k e r (o f f i c e r)
- 2 D a t e o f C e n s u s
- 3 S i g n a t u r e o f C e n s u s t a k e r
- 4 N a m e o f C o n t r o l l e r / I n v e s t i g a t o r
- 5 S i g n a t u r e o f C o n t r o l l e r / I n v e s t i g a t o r

Acknowledged :

TSU/Village H e a d,

Name & Functional Seal

III. GENERAL DATA of TSU/VILLAGE

1. Year of Transmigration Occupancy		Year	Month	
a. First Occupancy				
b. Last Occupancy				
2a. Number of Family (KK) and Family Members (persons) according to Status of Transmigrant at this TSU/Village:				
Status of Family	Total Occupancy		Total to Date	
	Family (KK)	Members of Family (persons)	Family (KK)	Members of Family (persons)
(1)	(2)	(3)	(4)	(5)
i. Public Transmigrant				
ii. Armed Forces Transmigrant				
iii. Local Transmigrant/ APPDT (*)				
iv. Spontaneous Transmigrant				
v. Others				
(*) Settlement Area Development of the Transmigration Region (Area)				
2b. Resources of Main Earnings of other Families (if detailing 2a.v is filled)				
Food crop farming	- 1	Industry/Handicraft	- 5	
Estate crop farming	- 2	Trading (incl. hotel, restaurant and such alike)	- 6	
H u s b a n d r y	- 3	Others (services, transportation, buildings, digging etc.)	- 7	
Other Farmings	- 4	Earnings Receiver	- 8	
3. Type of Project		Pelita II	Pelita III	
a. Dry Land(Field)		- 1		
(i) Family Head Dry Land			- 1	
(ii)			- 2	
b. Estates (PIR, NES, others)		- 2	- 3	
c. Wet Land(Field)/PS		- 3	- 4	
4. Settlement Pattern :				
Linear	- 1			
Nucleated	- 2			
Combination	- 3			

5. Allocation Pattern of Land/Field per Family

Home Yard	:	.....	Ha
Farming Land/Field or Plot:	:	.....	Ha
T o t a l	:	.....	Ha

6. Topography

Flat	- 1	Steep	- 3
Gently sloping	- 2	Others (.....)	-4

7. Type of main soil (Prime soil type)

Red-yellow Podzolic	- 1
Others (.....)	- 2

IV. FARMING AND OTHER RESOURCES OF EARNINGS/
INCOME

1a. Undertakings of Planting Species:

Paddy	- 1	Vegetables/Fruit	-3
Secondary Food Crop	- 2	Estates	-4

b. Prime planting species :

2a. Extent of sawah field according to type of irrigation:

Irrigation	:	.....	Ha
Non-irrigated : (i)	Tidal	:	..... Ha
(ii)	Rainfed	:	..... Ha
(iii)	Others		
	(oozings,etc).....		Ha
T o t a l	:	.....	Ha

b. Number of Families owning sawahs :Ha

3. If estate crop exist (Code 4 to question 1a to be circled)

Type of main plantings	:	.....
Extent of main Plantings	:	..... Ha
Number of Families owning Main		
Planting of above Estate	:	.....Rt

4. Specifically for Food Crop Farming

a. Season to date,

Processing Plantings	- 1	Harvest	- 3
Awaiting Harvest	- 2		

b. Hazards experience through the Last Season

P e s t s	- 1	O t h e r s	- 4
F l o o d	- 2	N o n e	- 5
Dryness	- 3		

5a. Field of Activity and type of additional (side) work of this area, in general:

.....
.....

b. If highlights exist, mention:

.....

6a. Are there inhabitants of this TSU/Village, working at other Factories/Corporations?

Yes	- 1	No	- 2
-----	-----	----	-----

b. If "yes", mention name and type of activity of Factory/Corporated mentioned.

- (i) Name of Factory/Corporation :
- Type of Activity :
- (ii) Name of Factory/Corporation :
- Type of Activity :

c. Number of inhabitants of this village, working at Factory/Cooperation

Cooperation :..... person

V. TRANSPORTATION

1. Most traffic enter/leave this TSU/village by

Land - 1 River - 2

2. If by land (detailing 1 coded 1) could the main road leaving the TSU/Village be used by Four-wheel vehicles through the year?

Yes - 1 No - 2

3a. Nearest range from TSU/village to market : Km

b. If by land :

(i) Transportation costs of Goods per Kg Rp.

(ii) Transportation costs of passengers
(public cars) Rp.

c. If by river :

(i) Transportation costs of goods per Kg Rp.

(ii) Transportation costs of passengers Rp.

VI. R E M A R K S

PENATAAN TRANSMIGRAN SWAKARSA

I. PENDAHULUAN

1. LATAR BELAKANG

1.1. Dengan keberhasilan penempatan transmigrasi pada waktu yang lalu, merupakan daya tarik bagi penduduk daerah asal, terutama sanak keluarga dan kenalan dari transmigran yang telah berhasil di daerah penempatan.

1.2. Didorong oleh kemauan untuk mendapatkan kesempatan berusaha di daerah yang baru, dengan kepastian untuk mendapatkan tanah, dengan cara - cara yang mudah, dan dijamin keamanannya dengan diberikan sertifikat, maka berdasarkan hal - hal tersebut penduduk daerah asal dengan suka rela mengikuti saudaranya untuk melaksanakan transmigrasi.

1.3. Pelaksanaan transmigrasi yang dilaksanakan secara sendiri - sendiri ini, yang belih dikenal dengan transmigrasi swakarsa, belum dapat diprogramkan secara baik, sehingga para transmigran dimaksud ada yang menumpang pada famili atau kenalannya, ada pula yang membuka lahan cadangan dengan tidak mengindahkan tata lingkungan, sedang mereka yang tinggal di luar proyek kadang - kadang mengganti rugi atau membeli pada penduduk setempat.

Hal ini ditinjau dari segi pengembangan transmigran, dan pengembangan proyek, dan sekaligus pengembangan wilayah, kurang menguntungkan, sehingga dibutuhkan adanya kegiatan rehabilitasi, yang serupa penataan transmigran swakarsa yang sudah berdomisili di daerah penempatan.

2. MAKSUD DAN TUJUAN

Dengan diadakan kegiatan penataan dimaksud diharapkan dapat dicegah adanya fragmentasi pemilikan tanah, dan adanya penggunaan tanah yang kurang ekologis, (perusakan lingkungan) dan kemudian diharapkan adanya tata pemukiman petani (yang melalui transmigrasi umum). Juga terdapat transmigran non petani, sehingga diharapkan pemukiman transmigrasi dimaksud lebih cepat berkembang dengan baik dan mantap.

II. KEGIATAN PENATAAN

Sampai saat ini kegiatan penataan yang sudah dapat ditangani meliputi kegiatan - kegiatan sebagai berikut :

1. Pembuatan desain pemukiman transmigran swakarsa.
2. Pengukuran, pengkavlingan dan sertifikasi.
3. Bantuan peralatan pertanian dan pertukangan.

III. HASIL YANG SUDAH DICAPAI

Adapun lokasi - lokasi yang sudah dilaksanakan penataan meliputi lokasi - lokasi sebagai berikut :

NO.	PROPINSI/LOKASI	TARGET KK	REALISASI KK	KETERANGAN
A.	<u>J A M B I</u>			
1.	Rimbo Bujang (1981/1982)	750	750	Sudah selesai sertifikasi.
2.	Rimbo Bujang (1982/1983)	500	500	Pada tingkat SK pemberian Hak.
3.	Singkut (1982/1983)	500	500	sda.
4.	Tanjung Jabung (1982/1983)	500	500	sda
B.	<u>SULAWESI SELATAN</u>			
5.	Salomoni (1982/1983)	500	500	Sudah selesai sertifikasi
6.	Cendana Putih IV	500	500	sda
C.	<u>SULAWESI TENGAH</u>			
7.	T o i l i	1.000	1.360	Pada tingkat surat pemberian hak, sedang sertifikasi masih dalam proses.

Sedangkan penataan program 1983/1984, yang meliputi 1.000 KK, SKP dengan pihak Agraria masih dalam proses. Yakni dilokasi sebagai berikut :

1. SUMATERA SELATAN

- 1.1. Bangsa Negara 500 KK, realisasinya sampai pada tahap pembuatan desain pemukiman sebanyak 500 KK.

2. KALIMANTAN TIMUR

- 2.1. Sepaku Semoi 500 KK, realisasinya sampai pada tahap pembuatan desain pemukiman, sebanyak 500 KK.

Sedangkan untuk program penataan 1984/1985 yang meliputi 4.000 KK, dananya masih memerlukan rivisi, dikarenakan index satuan harganya yang - disetujui oleh pihak Bapenas, belum sesuai dengan yang berlaku di Direk - torat Jenderal Agraria, disamping adanya kegiatan yang belum tertampung - dalam DIP.

Adapun lokasi untuk program penataan 1984/1985, ini tersebar di se -
bagai berikut :

A. A C E H	Target KK	Realisasi
1. Cot Girek	500	-
B. J A M B I		
2. Rimbo Bujang	500	-
3. Singkut VI	500	-
C. KALIMANTAN TENGAH		
4. Pangkuh	500	-
D. KALIMANTAN TIMUR		
5. Sepaku/Semoi V	500	-
E. SULAWESI SELATAN		
6. Padongga	1.000	-
7. Cendana Putih V	500	-

KESIMPULAN DAN SARAN

Dalam kegiatan penataan ini, nampaknya sangat diharapkan oleh transmigran swakarsa di daerah penempatan, namun apabila ditinjau dari segi - bantuan yang diberikan, nampaknya masih sangat banyak hambatan.- hambatan terutama apabila antara lokasi transmigran yang akan diatur (ditempatkan) dengan lokasi areal tanah cadangan yang akan digunakan untuk penempatan - agak jauh, dan merupakan daerah yang masih tertutup oleh hutan sekondair.

Mengingat hal tersebut diatas, diharapkan masih adanya bantuan yang berupa :

1. Bangunan fasilitas umum, guna pengembangan pemukiman secara wajar.
2. Bantuan pembukaan tanah dan ramuan rumah, agar para transmigran cepat-berkembang.
3. Jaminan hidup, sebagai penopang kehidupannya pada masa kritis (peralihan)

BEBERAPA CATATAN
TENTANG
TRANSMIGRASI SWAKARSA

II. PENGANTAR KATA

I. ~~PERIODE~~ ~~TRANSMIGRASI~~ KOLONISASI

Kolonisasi

Swakarsa

II.A. GAMBARAN TENTANG TRANSMIGRASI SWAKARSA DALAM PELITA I, II DAN III.

II.B. LATAR BELAKANG BERDIRINYA DIREKTORAT SWAKARSA

III. BEBERAPA POLA TRANSMIGRASI SWAKARSA:

1. POLA JAWA TENGAH
2. POLA PIR KHUSUS
3. POLA SISIPAN (TANAMAN PANGAN)
4. PERIKANAN DARAT DAN LAUT x

IV. PEMBINAAN PROYEK-PROYEK TRANSMIGRASI SWAKARSA

V. PENINGKATAN PROGRAM TRANSMIGRASI SWAKARSA PADA MASA-MASA YANG AKAN DATANG

(BEBERAPA SARAN DALAM MENINGKATKAN PROGRAM TRANSMIGRASI SWAKARSA)

VI.

PENGANTAR KATA

Naskah ini disiapkan untuk sekedar menambah bahan-bahan yang barangkali akan bermanfaat untuk didiskusikan pada "Loka Karya Transmigrasi Swakarsa" yang akan diselenggarakan pada tanggal 30 dan 31 Maret 1984 di Sala.

Ada dua sumber utama yang dipakai dalam menelaah masalah transmigrasi swakarsa di dalam naskah ini.

Pertama:

dari angka statistik dari daerah pengirim Jawa Tengah dan Bali yang disusun oleh Direktorat Jenderal Pengerahan dan Pembinaan.

Kedua:

hasil pengamatan penulis sewaktu mengadakan studi lapangan di Jawa Tengah dan Bali.

Sewaktu naskah ini disusun penulis belum berhasil menghimpun angka-angka transmigrasi swakarsa di daerah-daerah pengirim. Yang pasti bahwa seandainya angka-angka tersebut dapat disusun sesuai dengan catatan-catatan yang terdapat pada masing-masing Kantor Wilayah penerima transmigran, maka jumlah keseluruhan dari transmigrasi swakarsa di dalam Pelita I, Pelita II, dan Pelita III akan jauh lebih besar dari catatan-catatan yang dapat disusun oleh daerah-daerah pengirim Jawa dan Bali.

Diharapkan dengan adanya Loka Karya di Sala nanti, maka akan banyak hal-hal yang penting dapat terungkap; begitu juga akan banyak data-data yang diperlukan dapat dikumpulkan baik yang bersifat kuantitatif maupun kualitatif.

Dengan

Dengan demikian pada purna Loka Karya nanti akan dapat disusun suatu buku pedoman transmigrasi swakarsa yang lengkap dan sempurna. Sehingga dengan demikian di dalam Pelita IV nanti target 300.000 K.K. transmigrasi swakarsa dapat tercapai, bahkan diharapkan dapat dilampaui.

Semoga demikian hendaknya.

Jakarta, 27 Maret 1984

SOEDARTO, M.A.

II. LATAR BELAKANG TERBENTUKNYA DIREKTORAT TRANSMIGRASI SWAKARSA

Gerakan perpindahan penduduk secara spontan dari Jawa khususnya ke Lampung dan daerah sekitarnya sebenarnya sudah terjadi jauh sebelum Pelita I dimulai. Ini terbukti pada waktu Pelita III dimulai, maka Propinsi Lampung sudah dipenuhi oleh para pendatang dari Jawa sehingga Pemerintah perlu mengadakan langkah-langkah penertiban.

Perpindahan penduduk tersebut dari tahun ke tahun makin meningkat jumlahnya dan mengarah ke segala penjuru tanah air. Dihadapkan pada situasi yang mendesak tersebut, maka pada Keputusan Presiden No.: 47 Tahun 1979 dicantumkan dibentuknya Direktorat Transmigrasi Swakarsa pada Direktorat Jenderal Transmigrasi.

Kemudian Peraturan Pelaksanaan terbentuknya Direktorat Transmigrasi tersebut dikeluarkan oleh Menteri Tenaga Kerja dan Transmigrasi dengan Surat Keputusan No.: 36/MEN/1982.

Di dalam S.K. Menteri No.: 36/1982 tersebut ditetapkan bahwa Direktorat Transmigrasi Swakarsa terdiri dari:

1. Bagian Tata Usaha;
2. Sub Direktorat Pengembangan Program;
3. Sub Direktorat Bina Swadaya dan Partisipasi Masyarakat;
4. Sub Direktorat Pengendalian dan Evaluasi.

Dengan terbentuknya Departemen Transmigrasi pada bulan 1983, maka kemudian Menteri Transmigrasi mengeluarkan Keputusan No.: KEP.055 A/MEN/1983 yang isinya tentang Organisasi dan Tata Kerja Departemen Transmigrasi, yang antara lain disebutkan bahwa Direktorat Transmigrasi Swakarsa mempunyai tugas melaksanakan.

Berdasarkan

Berdasarkan pada S.K. Menteri No.: 1983 ini maka fungsi Direktorat Transmigrasi Swakarsa adalah melaksanakan pemantapan motivasi dan penyebaran informasi serta pelayanan dan perijinan bagi transmigrasi swakarsa di daerah asal dan di daerah transmigrasi; juga melaksanakan pengaturan penempatan dan penilaian pemukiman.

Untuk melaksanakan tugasnya, Direktorat Transmigrasi Swakarsa dilengkapi dengan:

1. BAGIAN TATA USAHA DIREKTORAT yang mempunyai tugas melaksanakan urusan tata usaha dan rumah tangga Direktorat; yang seterusnya dibagi menjadi tiga Sub Bagian, yaitu Pengurusan Surat, Statistik dan Laporan, dan Urusan Dalam.
2. SUB DIREKTORAT MOTIVASI DAN INFORANSI yang mempunyai tugas melaksanakan pemantapan motivasi dan penyebaran informasi, pelayanan perijinan bagi transmigrasi swakarsa, serta pengembangan partisipasi dan swadaya masyarakat.
3. SUB DIREKTORAT WILAYAH SUMATERA.
4. SUB DIREKTORAT WILAYAH KALIMANTAN.
5. SUB DIREKTORAT WILAYAH SULAWESI DAN INDONESIA TIMUR; yang masing-masing Sub Direktorat mempunyai tugas melaksanakan pengaturan penempatan, penataran serta penilaian dan pengembangan pemukiman untuk wilayahnya masing-masing.

Begitu juga masing-masing Sub Direktorat dilengkapi dengan tiga seksi yaitu:

- Seksi Pengaturan Penempatan Pemukiman
- Seksi Penataan Pemukiman
- Seksi Penilaian dan Pengembangan.

Dengan

Dengan gambaran struktur dan tugas Direktorat Transmigrasi Swakarsa seperti tersebut di atas, maka sebenarnya lengkaplah sudah aparat yang diperlukan untuk mendorong terselenggaranya program transmigrasi swakarsa, yang pada tahun yang akan datang harus selalu dapat ditingkatkan jumlahnya.

Dilihat dari fungsinya maka Direktorat Transmigrasi Swakarsa merupakan "Pusat Koordinasi antara Daerah Pengirim dan Penerima Transmigran Swakarsa"; disamping itu merupakan "Pusat Administrasi dan Manajemen" dari seluruh proses penempatan transmigran swakarsa.

Khusus terhadap daerah penerima, Direktorat ini perlu secara konsisten mengarahkan dan membina perkembangan lebih lanjut setiap lokasi transmigran swakarsa di seluruh Indonesia.

Mengingat bahwa volume transmigrasi dari tahun ke tahun selalu harus ditingkatkan dan diharapkan pada Pelita V dan seterusnya nanti jumlahnya akan melampaui dari transmigran umum, maka bukanlah tidak mungkin bahwa pada suatu waktu akan dipertimbangkan bahwa Direktorat Transmigrasi Swakarsa "harus menjadi Direktorat Jenderal tersendiri".

Hal itu akan diterima sebagai kenyataan apabila nanti "perpindahan penduduk dari Jawa sudah merupakan proses seperti air mengalir, sehingga fungsi aparat pengelolaannya harus selalu dapat menjaga dan siap menampung dinamika perpindahan penduduk tersebut baik secara administratif, pengamanan, pengembangan dengan selalu menciptakan kemudahan-kemudahan yang diperlukan dari waktu ke waktu.

III. CATATAN TRANSMIGRAN SWAKARSA PADA PELITA I, II, III

1. PELITA I

Berdasarkan angka-angka yang masuk pada Kantor-Kantor Wilayah di daerah pengirim transmigran dari Jawa dan Bali, maka pada Pelita I dapat digambarkan sebagai berikut:

T A B E L 1

Pengiriman Transmigran Swakarsa
Pada
Pelita I

NO.	DAERAH ASAL	JENIS TRANSMIGRAN SWAKARSA (Dalam K.K.)				JUMLAH
		D.B.B.	T.B.B.	BANT. PRES.	PIR KHUSUS	
1.	D. K. I.	-	-	250	-	250
2.	JAWA BARAT	-	1.047	977	-	2.044
3.	JAWA TENGAH	6.107	-	1.070	-	7.177
4.	JAWA TIMUR	4.105	1.406	-	-	5.511
5.	B A L I	956	1.707	-	-	2.663
6.	DAERAH ISTIMEWA YOGYAKARTA	745	-	-	-	745
	J U M L A H	11.913	4.160	2.297	-	18.390

Pada TABEL 1 tergambar bahwa pelaksanaan transmigrasi swakarsa sudah digiatkan sejak Pelita I yang berjumlah 18.390 K.K., dari jumlah tersebut 11.913 K.K. termasuk transmigrasi swakarsa "Dengan Bantuan Biaya" (D.B.B.), sedangkan sejumlah 4.160 K.K. transmigrasi swakarsa "Tanpa Bantuan Biaya" (T.B.B.), dan 2.297 K.K. dalam rangka "Bantuan Presiden" (BANT. PRES.).

Transmigrasi swakarsa D.B.B. menduduki tempat teratas, karena kenyataan keadaan ekonomi pedesaan dari daerah pengirim di Jawa dan Bali menggambarkan bahwa sebagai buruh tani para calon transmigran swakarsa tersebut hanya bisa pindah ke daerah penempatan dengan bantuan yang cukup dalam bentuk uang, peralatan ataupun kemudahan lainnya.

Sedangkan bagi transmigran swakarsa T.B.B. yang berjumlah 4.160 K.K. rupa-rupanya pada umumnya terdiri dari para keluarga "transmigran umum" yang dijemput/menyusul atas biaya kelaarganya sendiri. Jumlah transmigran swakarsa T.B.B. kelihatan sangat meningkat pada Pelita III seperti terlihat pada TABEL 3.

2. PELITA II

Secara keseluruhan prestasi pengiriman transmigran swakarsa pada Pelita II jumlahnya menurun jika dibandingkan dengan Pelita I.

T A B E L 2

Pengiriman Transmigran Swakarsa
Pada
Pelita II

NO.	DAERAH ASAL	JENIS TRANSMIGRAN SWAKARSA (Dalam K.K.)				JUMLAH
		D.B.B.	T.B.B.	BANT. PRES.	PIR KHUSUS	
1.	D. K. I.	-	-	136	-	136
2.	JAWA BARAT	708	600	1.000	-	2.308
3.	JAWA TENGAH	2.500	381	1.000	-	3.881
4.	JAWA TIMUR	4.142	1.277	1.837	-	7.256
5.	B A L I	952	976	726	-	2.654
6.	DAERAH ISTIMEWA YOGYAKARTA	250	-	1.000	-	1.210
	J U M L A H	8.552	3.234	5.699	-	17.485

Pada TABEL 2 tertera bahwa transmigrasi swakarsa D.B.B. dan T.B.B. jumlahnya menurun, sedangkan pada BANT. PRES. hampir tiga kali lipat dari pada Pelita I. Tetapi bagaimanapun juga D.B.B. tetap menduduki tempat yang teratas, yang sekaligus menggambarkan bahwa transmigran swakarsa adalah terdiri dari para petani golongan miskin yang masih memerlukan bantuan untuk bisa pindah ke daerah penempatan.

Kalau pada Pelita I angka tertinggi (7.177 K.K.) diduduki oleh Propinsi Jawa Tengah, tetapi pada Pelita II angka tertinggi (7.256 K.K.) telah dicapai dicapai oleh Propinsi Jawa Timur.

Rupa-rupanya para calon transmigran yang berasal dari Daerah Istimewa Yogyakarta dan D.K.I. Jaya, barangkali karena keadaan ekonomi para buruh tani sangat minim, maka pilihan pertama jatuh pada jatah "transmigran umum"; begitu juga untuk Bali para calon transmigran ingin dimasukkan ke dalam jatah transmigrasi umum.

3. PELITA III

T A B E L 3

Pengiriman Transmigran Swakarsa
Pada
Pelita III

NO.	DAERAH ASAL	JENIS TRANSMIGRAN SWAKARSA (Dalam K.K.)				JUMLAH
		D.B.B.	T.B.B.	BANT. PRES.	PIR KHUSUS	
1.	D. K. I.	-	10	-	-	10
2.	JAWA BARAT	1.238	977	-	-	2.215
3.	JAWA TENGAH	1.536	3.852	-	-	5.388
4.	JAWA TIMUR	2.112	9.861	-	-	11.973
5.	B A L I	1.297	2.193	-	-	3.490
6.	DAERAH ISTIMEWA YOGYAKARTA	485	43	-	-	528
	J U M L A H	6.668	16.936	-	-	23.604

Pelita III telah merupakan puncak prestasi dari Pelita-Pelita sebelumnya dengan meraih angka tertinggi untuk penempatan transmigran swakarsa yaitu 23.594 K.K.

Angka 16.936 K.K. untuk transmigran swakarsa "Tanpa Bantuan Biaya" merupakan suatu gejala yang positif, yang memberikan indikasi bahwa suasana untuk bertransmigrasi sudah lebih 'favourable'; hal ini barangkali karena prasarana perjalanan sudah lebih baik dan lebih aman.

PERINCIAN

PERINCIAN PENGIRIMAN TRANSMIGRASI SWAKARSA DARI DAERAH ASAL

PELITA I - II - III

NO.	DAERAH ASAL	JENIS TRANSMIGRASI DALAM K.K.				JUMLAH KESE-LURUHAN
		Dengan Bantuan Biaya	Tanpa Bantuan Biaya	Bantuan Presiden	PIR Khusus	
1.	<u>D. K. I.</u>				(diuraikan*) (tersendiri)	
	- PELITA I	-	-	250	-	250
	- PELITA II	-		136		136
	- PELITA III	-	10	-	-	10
2.	<u>JAWA BARAT</u>					
	- PELITA I	-	1.047	977	-	2.044
	- PELITA II	708	600	1.000	-	2.308
	- PELITA III	1.238	977	-	-	688
3.	<u>JAWA TENGAH</u>					
	- PELITA I	6.107	-	1.070	-	7.177
	- PELITA II	2.500	381	1.000	-	3.881
	- PELITA III	1.536	3.852	-	-	1.255
4.	<u>JAWA TIMUR</u>					
	- PELITA I	4.105	1.406	-	-	5.511
	- PELITA II	4.142	1.277	1.837	-	7.256
	- PELITA III	2.112	9.861	-	-	1.312
			(7.570 - 83/84)			
5.	<u>B A L I</u>					
	- PELITA I	956	1.707	-	-	2.663
	- PELITA II	952	976	726	-	2.654
	- PELITA III	1.297	2.193	-	-	3.490
6.	<u>D.I. YOGYAKARTA</u>					
	- PELITA I	745	-	-	-	745
	- PELITA II	250	-	1.000	-	1.250
	- PELITA III	485	43	-	-	528

PELAKSANAAN TRANSMIGRASI SWAKARSA

P I R K H U S U S

TAHUN 1981 SAMPAI DENGAN 1984

NO.	P R O P I N S I	JENIS TANAMAN	REALISASI SAMPAI DENGAN MARET 1984
1.	D.I. A C E H	KARET	500
2.	R I A U	KARET	349
3.	J A M B I	KARET	500
4.	BENGGULU	KARET	99
5.	KALIMANTAN BARAT	KARET	859

PELAKSANAAN TRANSMIGRASI SWAKARSA

P I R K H U S U S

NO.	TAHUN	TARGET (K.K.)	REALISASI (K.K.)	SISA TARGET (K.K.)
1.	1981/1982	7.250	2.609	4.641
2.	1982/1983	10.000	749	9.251
3.	1983/1984	1.025	849	176
		18.275	4.209	14.608

III. BEBERAPA POLA TRANSMIGRASI SWAKARSA

Sejak tahun pertama pada Pelita III telah dimulai pelaksanaan program transmigrasi swakarsa secara konkrit. Hal itu didorong oleh dibentuknya Direktorat Transmigrasi Swakarsa berdasarkan KEPPRES No.: 47/1979 seperti diuraikan terdahulu.

Proyek-proyek transmigrasi yang mula-mula ditangani ialah antara lain:

- Penataan transmigrasi swakarsa di Rimbo Bujang - (750 K.K.);
- Realisasi Proyek PIR-Khusus - (1.588 K.K.);
- Transmigrasi Swakarsa Sektoral - (1.543 K.K.);
- Proyek Uji Coba Bentiring - (403 K.K.).

Kemudian keadaan berkembang ke arah lebih terarah dengan dimulainya Program PIR - Khusus secara lebih terencana.

A. POLA PIR - KHUSUS

Perkebunan Inti Rakyat yaitu suatu pola pengusahaan perkebunan, terdiri dari perkebunan milik PN/PT Perkebunan sebagai inti, yang membangun dan membina perkebunan milik petani peserta sebagai plasma. Sedangkan PIR-Khusus adalah Perkebunan Inti Rakyat yang dilaksanakan di Daerah Transmigrasi dan dikaitkan dengan Program Penyelenggaraan Transmigrasi Swakarsa.

Dalam pola ini, kepada setiap anggota transmigran swakarsa akan mendapat jatah pembagian tanah sebagai berikut:

(1). Lahan pekarangan 0,25 ha.;

- diberikan pada waktu mereka tiba di proyek beserta rumah tinggal.

(2).

(2). Lahan untuk tanaman perkebunan plasma 2 ha.;

- yang akan dialihkan kepada masing-masing petani peserta setelah memenuhi persyaratan teknis kebun (awal tahun ke-3 bagi tanaman kelapa sawit/coklat, dan di awal tahun ke-4 sampai dengan 7 bagi tanaman karet).

(3). Lahan usaha pangan /diversifikasi seluas 1,25 ha.;

- yang akan diberikan pada tahun ke-2 setelah penempatan.

PEMBAGIAN TUGAS DAN WEWENANG DALAM MENANGANI PROYEK PIR - KHUSUS

Di dalam menangani Proyek PIR-Khusus telah disepakati untuk membagi tugas dan wewenangnya sebagai berikut:

DIREKTORAT JENDERAL PENERAHAN DAN PEMBINAAN mempunyai wewenang dan tanggung-jawab memindahkan para transmigran swakarsa dari daerah asal sampai ke lokasi Proyek PIR-Khusus dan menyelenggarakan pembinaan kemasyarakatan yang akan berlangsung kira-kira 5 (lima) tahun.

DIREKTORAT JENDERAL PERKEBUNAN mempunyai wewenang dan tanggung-jawab menyelenggarakan pembangunan Perkebunan Inti Rakyat serta melakukan pembinaan dan pengembangan Kebun Plasma dan usaha tani pangan/diversifikasi dan jangka waktu pembinaan ini kurang lebih akan memakan waktu 3 (tiga) tahun.

P E M B I A Y A A N

Di dalam melaksanakan program PIR-Khusus untuk transmigran swakarsa ini dipandang dari segi pembiayaannya dapat dibagi menjadi dua komponen:

1. KOMPONEN KREDIT

1. KOMPONEN NON KREDIT

Komponen biaya ini yang meliputi pertanyaan-pertanyaan untuk transportasi dari daerah asal ke lokasi PIR-Khusus, peralatan dan perlengkapan transmigran, biaya pembangunan fasilitas umum, biaya survey dan tata-guna tanah, pembinaan kemasyarakatan, dan biaya sarana produksi pertanian untuk pekarangan.

Keseluruhan biaya Komponen Non Kredit ini ditanggung oleh Pemerintah.

2. KOMPONEN KREDIT

Yang termasuk ke dalam pembiayaan ini adalah:

- biaya pembangunan Kebun Plasma termasuk antara lain pembuatan jalan kebun dan biaya hidup;
- biaya rumah petani peserta;
- biaya pemeliharaan tanaman termasuk sarana produksi pertanian (pupuk, pestisida, dan lain-lain);
- biaya sertifikat tanah.

Adapun masa pengembalian kredit diatur sebagai berikut: masa pengembalian kredit untuk kelapa sawit dan coklat pada tahun ke-4 sampai tahun ke-10 dan untuk karet pada tahun ke-8 sampai dengan tahun ke-20.

Sedangkan tingkat bunga kredit adalah 10,5% setahun, dan bunga selama selama masa persiapan dan pengalihan ditanggung seluruhnya oleh Pemerintah.

REALISASI PROGRAM TRANSMIGRASI SWAKARSA PIR - KHUSUS

Atas dasar pola kerja seperti tersebut di atas, maka sejak tahun anggaran 1981/1982 dilaksanakanlah program PIR-Khusus di dalam rangka transmigrasi swakarsa.

Adapun

Adapun hasil-hasilnya seperti tertera di dalam dua tabel berikut ini:

Sampai akhir Pelita III ini ternyata hanya tanaman karet saja yang dapat dilaksanakan dalam program PIR-Khusus transmigrasi swakarsa; dan inipun di dalam Pelita III hanya meliputi 4.209 K.K., yang tersebar di D.I. Aceh, Riau, Jambi, Bengkulu dan Kalimantan Barat.

Angka-angka tersebut di atas memberikan indikasi bahwa meskipun sistim PIR-Khusus sudah berhasil diciptakan tetapi hasilnya masih perlu ditingkatkan. Hal ini tentu saja integrasi pekerjaan antara dua Direktorat Jenderal perlu disinkronisasikan, sehingga sisa target yang berjumlah 14.608 K.K. harus dapat dicapai di dalam waktu de8at ini.

B. POLA JAWA TENGAH

Pada waktu Bpk. Margono Hadikusumo menjabat sebagai Kepala Kantor Wilayah Jawa Tengah, telah berhasil dirintis suatu Pola Transmigrasi Swakarsa yang untuk mudahnya disebut saja sebagai "Pola Jawa Tengah". Di dalam pola ini ada 4 (empat) pihak yang berhasil diintegrasikan kegiatannya untuk menggalakkan pelaksanaan transmigrasi swakarsa.

Pihak Pertama:

Departemen Transmigrasi, di dalam hal ini tentu saja Direktorat Jenderal Pengerahan dan Pembinaan dan Direktorat Jenderal Penyiapan Pemukiman.

Pihak Kedua:

Pemerintah Daerah Jawa Tengah.

Pihak Ketiga:

YAYASAN SOEGIJOPRANOTO.

Pihak Keempat:

Pihak Keempat:

Transmigran yang bersangkutan.

Keempat pihak telah sepakat untuk membagi seluruh beban biaya yang dikeluarkan untuk melaksanakan transmigrasi swakarsa ini.

Pihak Pertama, menyediakan biaya kira-kira Rp 20.000,- per K.K. untuk biaya transportasi udara dari daerah asal ke daerah penerima.

Pihak Kedua, menyediakan biaya persiapan lahan, prasarana jalan, bahan-bahan bangunan, supply makanan selama 6 (enam) bulan, yang kesemuanya meliputi dana sebesar kira-kira Rp 400.000,-

Pihak Ketiga, menyediakan biaya biaya transport dari tempat asal ke lapangan terbang pemberangkatan dan begitu juga dari lapangan terbang tujuan ke lokasi proyek transmigrasi swakarsa, yang kesemuanya meliputi biaya sebesar kira-kira Rp 17.500,- per K.K.

Pola Keempat, yaitu masing-masing transmigran harus menyediakan biaya sebesar kira-kira Rp 117.500,-; dana ini untuk biaya administrasi, pelayanan kesehatan, dan bilamana perlu untuk tambahan biaya persiapan di lokasi transmigrasi swakarsa. Dengan sistim tersebut di atas Kantor Wilayah Transmigrasi Jawa Tengah telah mampu mengirim transmigran swakarsa sebanyak 3.000 K.K., sedangkan sejumlah 600 K.K., sedangkan sudah siap diberangkatkan juga. Pola Jawa Tengah ini dapat dikembangkan lebih lanjut dengan target yang lebih besar, yaitu dengan menawarkan masing-masing komponen biaya kepada organisasi swasta/yayasan-yayasan baik di dalam negeri maupun luar negeri; seperti KAS, CRS, dan lain-lainnya. Ini semua di dalam memberi penerangan tentang program transmigrasi swakarsa yang sedang kita galakkan ini.

Pola

Pola "cost sharing" secara gotong-royong ini akan mempunyai dampak positif baik dipandang dari segi teknis transmigrasi maupun politis kemasyarakatan.

DAFTAR : PROPINSI DAN JUMLAH KK TRANSMIGRASI SISIPAN 1985/86

PROPINSI/DAERAH PENERIMA	JUMLAH KK
1. D.I. ACEH	500 KK
2. SUMATERA UTARA	500 KK
3. SUMATERA BARAT	-
4. R I A U	2850 KK
5. JAMBI	1200 KK
6. SUMATERA SELATAN	2700 KK
7. BENGKULU	1483 KK
8. LAMPUNG	-
9. KALIMANTAN BARAT	-
10. KALIMANTAN TENGAH	3000 KK
11. KALIMANTAN SELATAN	2017 KK
12. KALIMANTAN TIMUR	2000 KK
13. SULAWESI SELATAN	2000 KK
14. SULAWESI TENGAH	700 KK
15. SULAWESI TENGGARA	2000 KK
16. MALUKU	2000 KK
17. TIMOR TIMUR	-
18. IRIAN JAYA	-
19. SULAWESI UTARA	-
J U M L A H	22.980 KK

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