

---

# Indonesia's Transmigration Programme – An Update

a report prepared for  
**Down To Earth**

By  
**M.Adriana Sri Adhiati**  
and  
**Armin Bobsien (ed.)**

July 2001

## **Foreword**

This report provides an update on the transmigration programme in Indonesia. As Indonesian politics today are so dynamic, some changes may have taken place by the time it has been published.

During the process of preparing this report, the Department of Transmigration was merged to become the Ministry of Transmigration and Population (SMTP). This then became the Ministry of Transmigration and Manpower following the August 2000 cabinet reshuffle.

The bureaucracy, however, moves more slowly than political events and there is a dearth of up-to-date published information on transmigration from the department responsible. The report is based on a review of literature from official sources (mainly Indonesian Government, the World Bank and ADB) and a few personal interviews with activists and transmigration officials. The paper also draws liberally on media sources to fill the information gaps.

## **Contents**

- I. Structure of the study**
- II. Introduction**
- III. Transmigration and Indigenous Peoples**
- IV. Transmigration in figures**
- V. The turn of the tide**
- VI. Reorganisation of Transmigration Ministry: Institutional and Policy Changes**
- VII. Implementation of Policy Reforms**
- VIII. International Development Assistance and Transmigration**
  - A: The World Bank**
  - B: The Asian Development Bank (ADB)**
- IX. Who works on Transmigration?**
- X. Conclusion**
- XI. References**
- XII. Appendices**

## I. Structure of the study

The introduction consists of a brief overview of the historical background, objectives and controversial issues linked with the Indonesian transmigration programme. The investigation focuses on :

1. a compilation of quantitative data (performance indicators);
2. a discussion of the factors triggering political and institutional changes in transmigration politics in the post-Suharto era;
3. updating information about the involvement of IFIs (World Bank and ADB) in transmigration;
4. an overview of current research activities or contacts;
5. conclusions and recommendations.

## II. Introduction

Transmigration is not a new policy. Originally initiated under Dutch colonial rule during the early 20<sup>th</sup> century and taken over by the Indonesian Government after independence, transmigration had three main goals:

1. to move millions of Indonesians from the densely populated inner islands (Java, Bali, Madura) to the outer, less densely populated islands to achieve a more balanced demographic development;
2. to alleviate poverty by providing land and new opportunities to generate income for poor landless settlers;
3. to exploit more effectively the "potential" of the "outer islands".

Additional targets gained importance under General Suharto's "New Order" regime namely regional development, nation-building and national security<sup>1</sup>. Under Suharto's rule transmigration increased dramatically and large numbers of people were resettled, mainly to Kalimantan, Sumatra, Sulawesi, Maluku and West Papua (Irian Jaya). Massive financial support from the World Bank, ADB and bilateral donors helped to boost the programme in the 1980s. The expansion of the programme alerted environmental and human rights critics both inside and outside Indonesia who revealed transmigration to be a development fraud and an environmental disaster. Important criticisms of the transmigration policy in the past have included:

- Indonesia's outer islands contain some 10% of the world's remaining rainforest and the transmigration programme has been an important institutional source of pressure on natural forests;
- Resettlement is politically inspired to control the indigenous population of the outer islands (e.g. in West Papua, East Timor, Kalimantan);
- Transmigration has violated customary (*adat*) land rights and is aimed at the forced assimilation of indigenous people and forest dwellers;
- With average resettlement costs of US\$7000 per family in the mid-1980s<sup>2</sup> the programme was an economic disaster, increasing Indonesia's national debts and – in some years - swallowing between 30 - 40 % of the entire economic development budget of the outer islands;
- Transmigration failed to reach its core goals: rather than alleviating poverty, the programme redistributed poverty, leaving the majority of transmigrants worse off due to totally inadequate planning and site preparation, poor access to markets and neglect of soil and water properties indispensable for a prosperous agricultural economy;
- Transmigration virtually makes no dent in the population pressure in Java;
- The transmigration programme has created environmental havoc on the outer islands.

The course of transmigration policies has changed dramatically over recent years, influenced by external and internal factors. In the 1980s substantial World Bank/ADB loans and bilateral financial assistance made it possible to expand the transmigration programme, with the result that from 1980-90 ten times more people were resettled than in the previous seven decades since the beginning of state-sponsored transmigration. As massive environmental, social and economic problems triggered domestic and international criticism and the programme's failure to achieve its targets, external financial assistance to support new resettlement schemes dried up in the 1990s. Resettlement figures, however, remained high in the first half of the 1990s. At the same time, foreign financial assistance switched to a new strategy to support "Second-stage Transmigration", i.e. to rehabilitate the existing resettlement projects.

The financial crisis which hit Indonesia in mid-1997 and the ensuing struggle to re-build the economy and transform the corrupt political system resulted in major changes in the political, institutional and economic landscape. These have, in turn, substantially influenced the transmigration programme over the past three years. The picture is complex and dynamic. Other factors, such as the direct and indirect effects of the IMF-imposed Structural Adjustment Programme (SAP), the outbreak of social conflicts at various places in

---

<sup>1</sup> Fassbender & Erbe (1990)

<sup>2</sup> World Bank (1986) quoted in Rich (1993)

Indonesia and the new phenomenon of refugees have further shaped the post-Suharto transmigration programme.

Today the picture is both reassuring and alarming. On the positive side, the official transmigration programme, as implemented during the Suharto years, appears to have been quietly dropped by the current government of President Abdurrahman Wahid. New political openness and the process of democratisation mean that the coercive elements of transmigration - so damaging to indigenous communities in transmigrant receiving areas, as well as to those Javanese peasants who became unwilling transmigrants after losing their own lands to 'development' - can no longer be pushed through with impunity. However, there is a real danger that transmigration in a new guise may take over where the old programme left off. Both the central government and the newly empowered local governments are relying on natural resources exploitation - logging, mining, industrial timber and pulpwood plantations, oil palm, industrial shrimp farming - to generate revenue. The model of large scale commercial exploitation aimed at export markets is being actively encouraged by Indonesia's international creditors, led by the IMF and the World Bank. If this continues, the demand for labour in areas of low population will increase, fuelling a new migration - and possibly transmigration - boom.

This report examines the development of transmigration issues in Indonesia since the political crisis, tries to give a comprehensive overview of recent political changes concerning transmigration and discusses their potential implications for the future. What emerges from this study is the continued need to monitor closely transmigration in its new guises and the role played by international finance - both through private investment and IFI lending. It also highlights the urgent need to address the pressing problems caused by transmigration until now: the systematic theft of indigenous lands, deforestation and massive environmental damage; and the social tensions which have fuelled the bloody communal conflicts and rapidly developing internal refugee crisis afflicting Indonesia today.

### **III. Transmigration and Indigenous Peoples**

When environmentalists and human rights advocates launched their international campaign against transmigration in the mid-1980s, a focus of their concern was the impact the programme was having on the country's indigenous peoples. A special issue of *The Ecologist* magazine exposed the Indonesian Government's policy of denying the rights of indigenous peoples and of forcibly integrating them into the national mainstream. The magazine showed how forced relocation of indigenous peoples to make way for logging and agricultural schemes was coupled with the integration of indigenous peoples into transmigration settlements.

Transmigration sites, it alleged, took over indigenous lands, without their consent or compensation, and obliged them to change their ways of life and submit to re-education programmes to wean them from what the government thought were 'backward' ways. Resistance was met with violence and abuses of human rights. The campaigners pointed out that the World Bank's support for transmigration directly violated the Bank's own policy of respect for indigenous peoples' rights, which it had adopted in the early 1980s.

The campaigners called on the Bank and other donors such as the World Food Programme, UNDP, European Union and the Dutch, German and British governments to halt funding the programme. At the time, the World Bank denied the validity of these criticisms arguing that the programme had social benefits and was developed in conformity with World Bank policies. Nonetheless, shortly after these complaints, the Bank switched its support for the programme, halting funds for new settlements and providing further loans only for the 'second-stage development' of existing sites.

However, notwithstanding the Bank's public denials that there were any problems, subsequent official investigations into Indonesian government policies and laws regarding indigenous peoples showed that the campaigners' charges were well founded. An investigation by the UNDP and World Bank showed how Indonesian forestry and land laws denied indigenous peoples rights and thus facilitated the take-over of their lands by other interests. Later studies carried out for the World Bank showed that this process of dispossessing indigenous peoples was applied systematically throughout the archipelago. Transmigration was shown to be the single most important cause of the country's forest loss, estimated at 1.2 million hectares per annum in 1991.

In 1994, the Bank completed a review of its involvement in the first three phases of transmigration. The review provided shocking evidence that, exactly as the campaigners had alleged 10 years previously, the Bank's projects had had 'major negative and probably irreversible impacts' on some indigenous groups and had been pursued contrary to Bank policies and even contrary to the advice of project staff. By then it was too late to change the projects to address the problems faced by these peoples as the projects had long been closed. The World Bank board also rejected the idea of a remedial project to try to restore the affected groups' livelihoods.

Although foreign support for transmigration dwindled as these problems became clear, transmigration continued. The failure of the dry land farming schemes encouraged the government to direct the migrants into PIR (mainly oil palm) and HTI (timber) plantations. The forced takeover of indigenous peoples' lands carried on. Today, indigenous peoples who lost lands to transmigration are seeking reparations and are demanding that their rights to land be restored. The full legacy of this country-wide institutionalised theft of indigenous lands has thus yet to be felt.

#### IV. Transmigration in figures

One of the most obvious signs of change is the decrease in the total number of people to be resettled under the transmigration programme. According to figures issued by the transmigration authorities, only 2,265 families were to be resettled in the fiscal year 2000<sup>3</sup>. Of those, 1,260 families were displaced people or refugees who belong to a new category of transmigrant (see Appendix I for the description of the different types of transmigrants). This number is a significant cut-back compared with past years and indicates that government-sponsored transmigration has all but collapsed (Table I). The number of unofficial spontaneous transmigrants (i.e. uncontrolled migrants) is probably high, but no official data exist.

**Table I Transmigration Figures 1950 - 2000/01**

	Pre-Repelita 1950-69	Repelita I 1969-74	Repelita II 1974-79	Repelita III 1979-84	Repelita IV 1984-89	Repelita V 1989-94	Repelita VI 1994-99	Repelita VII 1999-2000 (by Nov 99)
Target (families)	-	38,700	250,000	500,000	750,000	550,000	600,000	16,235
Families actually moved	100,000 <sup>1</sup>	36,483 <sup>2</sup>	118,000 <sup>3</sup>	535,000 <sup>3</sup>	230,000 <sup>4</sup>	n/a	<300,000 <sup>5</sup>	4,409 <sup>6</sup>
No. of people	500,000	174,000	544,000	2,469,560	1,061,680	n/a	<1,500,000	22,000

Sources: <sup>1</sup> Donner 1987; <sup>2</sup> Suratman & Guinness 1977; <sup>3</sup>Gardiner 1992; <sup>4</sup>Ministry of Transmigration Staff (number 2,3 & 4 are quoted from Fearnside 1997); <sup>5</sup>Own estimate based on figures from SMTP 2000 and Sunderlin 1999; <sup>6</sup> Departemen Transmigrasi dan PPH 1999

Between 1949 and 1974, the Indonesian government resettled 674,000 people through transmigration. With the consolidation of the Indonesian administration, growing experience and massive financial support from the World Bank and other international donors, another 3.5 million people were resettled to transmigration sites on the 'outer islands' by 1990<sup>4</sup>. By the early 1990s the annual volume of transmigrants had started to decrease because of the substantial decline of international financial assistance.

The development target for REPELITA VI (1994-99) was to relocate 600,000 families, consisting of 350,000 government-sponsored families and 250,000 spontaneous transmigrant families<sup>5</sup>. Before the economic crisis hit Indonesia in mid-1997, the government envisaged the resettlement of 316,000 families as part of the highly controversial Swamp Rice Mega Project in Central Kalimantan over a period of six years. The project, however, collapsed in the same year and less than 27,000 families were resettled in 1997-1998 (20,000 of them to Central Kalimantan)<sup>6</sup>. The original target for the following year was to resettle 86,000 families mostly to Eastern Indonesia<sup>7</sup>, but it is certain that this could not be realised as a direct consequence of the economic crisis, political unrest and social conflict.

Appendix 2 gives a summary of the official resettlement figures in the period 1994/1995 – 1999/2000 (Table A1) and resettlement by type and schemes (Table A2). Although the official figures for 1997/98 and 1998/99 are missing, it can be estimated that during REPELITA VI fewer than 300,000 families were resettled through government-sponsored transmigration. The latest figures (2,265 families) for the current financial year suggest that the transmigration programme has been reduced to a marginal level. The era of large-scale resettlement under the term "transmigration" may well have come to an end.

#### V. The turn of the tide

Transmigration was a geopolitical cornerstone of Suharto's Indonesia. Despite mounting domestic and international criticism the programme continued almost unaffected and with few policy changes until the end of Suharto's reign in mid 1998. In fact, one of the biggest failures of the transmigration scheme happened on the eve of Suharto's fall from power, when the government plan to convert 1 million ha of peat wetland in Central Kalimantan into a major rice growing area collapsed, leaving a trail of destruction over a vast area (see box 1). Despite mounting evidence that the Central Kalimantan mega-project was another transmigration disaster,

<sup>3</sup> SMTP (2000)

<sup>4</sup> Rich (1994)

<sup>5</sup> Government of Indonesia (1994)

<sup>6</sup> Sunderlin (1999)

<sup>7</sup> Sunderlin (1998)

little would have changed if the financial crisis in 1997 had not finally led to long overdue change in political leadership.

The political and economic turmoil in Indonesia over the past three years has triggered an unprecedented momentum for political and institutional reform in Indonesia. Pressure for reform of the transmigration programme has been determined not by a perceived need to change the programme but by major changes in other policy areas, such as decentralisation and economics. The cumbersome transmigration bureaucracy has had little time to respond to these pressures.

The latest cutback in annual transmigration volume and recent political and institutional changes have been shaped by:

- substantial financial constraints as result of the economic crisis;
- tight control of government spending through the IMF's structural adjustment programme and increased influence of the IMF-led creditor group over domestic budget decisions;
- decentralisation/regional autonomy;
- the new phenomenon of political and environmental refugees.

Transmigration has received very little attention in recent years, either from the government or from 'reformists' or opposition groups. Neither have any of the major civil society groups taken a stand on it and, in terms of public attention, transmigration has become a "forgotten issue". This means that all the changes to transmigration have been quietly pushed through with no public debate or discussion.

### **Financial Constraints**

Economic crises in developing countries usually lead to a decline in government spending on directed settlement programmes. In the case of Indonesia, the transmigration budget for 1998/99 was reduced by 22% in nominal terms (and even more in real terms) from the previous pre-crisis year.<sup>8</sup> Throughout much of that year the administration was paralysed as macro-economic uncertainties meant that the national budget had to be revised<sup>9</sup>. Funding cuts caused postponements and delays to programmes and projects, and forced the transmigration administration to cut the operational budget. The budget for the fiscal year 2000 was further cut by 50% from Rp. 1.1 trillion to Rp. 541 billion<sup>10</sup>. These drastic cutbacks reflect the dire situation of Indonesia's economy. From March 1998 to March 2000 the national debt increased from 23 percent of GDP to 91 percent<sup>11</sup>. As a result, the government lacks funds for basic urgent needs like mitigating the social effects of the economic crisis or maintaining the infrastructure in many parts of the country. Consequently, the budget of the transmigration programme, which is no longer high on the government's agenda in the post-Suharto era, is shrinking. Since it is unlikely that Indonesia's debt crisis will be solved in the short-term, there is little prospect that current financial constraints to transmigration will be reversed soon. In the early 1990s, the lack of financial resources was overcome by encouraging the participation of self-financing transmigrants and foreign aid. These options are not available anymore: the financial crisis has further impoverished large sections of the society and supporting Indonesia's highly controversial transmigration programme is certainly not a priority for foreign donors. As far as we know, no research has been published concerning the impact of the economic crisis on transmigrants themselves.

### **IFIs and transmigration**

To combat the economic crisis and to manage its spiralling debts Indonesia is relying heavily on loans from the international financial institutions (IFIs) and bilateral creditor nations grouped in the Consultative Group on Indonesia (CGI). The IMF, the largest lender to Indonesia, attaches conditions to its loans, which may directly influence budget decisions on and policy changes to the transmigration programme. For instance, to achieve the balance of foreign debt payments, the IMF demands strict budget austerity and the elimination of state subsidies. Government-sponsored transmigration, which involves considerable public spending, including state subsidies to support transmigrants and which has failed in the past to reach economic targets, does not measure up to these requirements.

It has been suggested that IMF loans may be used to compensate the shortfall of the transmigration budget<sup>12</sup>. This is theoretically possible since IMF money is not traced once it has entered Indonesia. The present situation

---

<sup>8</sup> *Republika* 10/2/98 (online) - "Anggaran Deptrans turun 28.4 persen"

<sup>9</sup> WALHI/FoE Indonesia (1998)

<sup>10</sup> SMTP response to "Far Eastern Economic Review" interview, Feb. 2000, unpublished

<sup>11</sup> *Financial Times Germany* 7/8/2000 - "Last wake-up call in Jakarta"

<sup>12</sup> *Bisnis Indonesia* 16/2/98 (online) - "SB: Deptrans realisasikan bantuan asing"

is, however, that almost all new loans are being swallowed up in paying debt interest on old loans<sup>13</sup> so there is no IMF money left for bolstering the transmigration budget or indeed any other departmental funding.

### **Decentralisation**

Regional autonomy is one of the most significant reforms in the new post-Suharto Indonesia. It is based on two laws passed by the interim Habibie regime. Local Government Act No.22/1999 gives the regions greater power and responsibilities over the use of national assets, and the Revenues Allocation Act No.25/1999 changes the financial relationship between central and local government. (See also DTE 46 or website <[www.gn.apc.org/dte/camp.htm#rad](http://www.gn.apc.org/dte/camp.htm#rad)> for more on regional autonomy)

Decentralisation has been a major source of domestic pressure to reform the transmigration programme.

Direct consequences and implications for the transmigration programme include :

- the loss of revenues to the central government: decentralisation reverses the present system whereby all revenues from the provinces are made over to the central government. In future, the lion's share of revenues will remain in the provinces which means that Jakarta will have even less money to fund a centralised transmigration programme;
- the loss of decision-making power: during the Suharto era the transmigration programme was top-down oriented, i.e. decision-making was highly centralised with no possibility of participation by local communities. Local autonomy legislation gives districts and provinces greater responsibilities and affords local assemblies (DPRD), provincial governors and village councils more decision-making power. The legislation is supposed to encourage local democracy;
- the lack of local political support for transmigration: provided communities can express their concerns effectively through local institutions which exert political power, it will be extremely difficult to open new transmigration sites in many areas. For example, in Aceh, West Papua and Maluku the indigenous populations are unwilling to accept any transmigrants<sup>14</sup>. In many districts, local politicians may prefer to allocate scarce financial resources to support poor local communities rather than help transmigrants<sup>15</sup>. On the other hand, local communities in some areas, like West Kalimantan, may still be susceptible to government promises that it will improve local infrastructure if villagers will accept new transmigration sites<sup>16</sup>.

#### **Box 1: The Central Kalimantan Mega Project or 'PLG' (Proyek Pengembangan Lahan Gambut).**

When the financial crisis struck Indonesia in mid-1997, the major focus of the transmigration programme was then President Suharto's controversial one-million hectare peat land project in Central Kalimantan. Launched in 1995 as a means to guarantee rice self-sufficiency, the scheme quickly turned into an environmental catastrophe as peat forests were stripped, drained and rendered unusable. Indigenous Dayaks who held customary rights over the forests were pushed aside and deprived of their livelihoods, while transmigrants brought in to grow rice quickly found the land impossible to work. The dried out peat and debris left from the bulldozers also created ideal conditions for fire: some of the worst fires during the 1997 burning season were located in the PLG area. Suharto's successor Habibie finally stopped the project in April 1999<sup>17</sup>, a step which was confirmed by Wahid's government the following year. This came as no surprise as the failure of PLG had become a matter of increasing public concern both at home and internationally. Officially, the project was terminated because of budget constraints and because it was proven unsuitable for agricultural production<sup>18</sup>. Up to cancellation 15,600 families had been settled in 45 settlement units. In the fiscal year 2000 an amount of Rp. 7,540,839,000 (around US\$ 950 thousand) in "Presidential Assistance" was allocated to support the existing transmigrants and rehabilitate the settlements<sup>19</sup>.

After spending at least US\$500 million the government was initially reluctant to write the project off altogether. Soon after the project's cancellation, Habibie's government announced plans to repack the project as a KAPET – an integrated economic development zone (see box 2). Habibie's KAPET plans almost tripled the total project area to 2.7 million hectares, and included forestry, mines, plantations and tourism targets<sup>20</sup>. The move was regarded by many as further confirmation that the rice-growing scheme was a cover for the "real purpose (which) was to establish the canal and road infrastructure necessary to attract oil palm investors"<sup>21</sup> and for project contractors to get their hands on valuable timber and to take their cut of project money.

<sup>13</sup> DTE IFIs Update, No 4, May 2000 - New IFI loans disappear in payment of Suharto era

<sup>14</sup> South China Morning Post 3/5/2000 - Broken dream of migrant harmony

<sup>15</sup> Far Eastern Economic Review 30/3/2000 - Migration: Losing Ground

<sup>16</sup> personal communication with a local NGO representative (2000)

<sup>17</sup> *Bisnis Indonesia* 27/4/99

<sup>18</sup> "Proyek lahan gambut tidak ekonomis", *Kompas*, 6/6/98

<sup>19</sup> SMTP (2000)

<sup>20</sup> See DTE 43:4

<sup>21</sup> Barber, et al (2000)

After the change of government in late 1999, however, Erna Witoelar, President Wahid's new Minister for Settlement and Regional Development put the KAPET plans on hold<sup>22</sup>. Since then, there has been conflicting information about the status of the project. In March 2000, Al Hilal Hamdi, State Minister for Transmigration and Population Minister [SMTP] signed a Memorandum of Understanding between SMTP and Indonesian Farmers Association (HKTI) to develop cash crop farms in the area. The head of HKTI, Siswono Yudohusodo (coincidentally former transmigration minister in Suharto's era) stated that the area was suitable for growing "high economic value plants" - that is, quite likely, oil palm<sup>23</sup>. The following month, Erna Witoelar announced that the project lands would be returned to their original functions, apart from the land already allocated to transmigrants, which they would be allowed to keep. She said the government had decided to stop the project as it considered that the losses outweighed the benefits and it had caused extensive damage to the environment<sup>24</sup>. The same day, a different report quoted Witoelar's secretary general, Gembong Priyono, as saying that the PLG would become an ordinary "swamp development project" involving the maintenance of drainage canals in the transmigration area. He said around 70,000 hectares were suitable for development and that 30,000 transmigrant families were already living there<sup>25</sup>. There has been no indication that the KAPET plans have been officially withdrawn.

The project has brought disaster for the original Dayak inhabitants and transmigrants alike. Many transmigrants have been forced to join gangs of illegal loggers or miners in order to make a living, since they can barely produce anything from the land. Dayak villagers whose claims for adequate compensation have not yet been settled, are now threatening to vent their frustrations on the transmigrants and in February 2001 some of the transmigrants submitted a formal request to be returned to Java<sup>26</sup>. The recent outbreak of inter-ethnic violence in Central Kalimantan is very likely to have increased these tensions.

### **The new phenomenon of political and environmental refugees**

Suharto's thirty- three year dictatorship stored up huge problems for Indonesia's future. They included the annexation and brutal occupation of West Papua, the invasion and reign of terror in East Timor, and long-term military repression in Aceh. The Suharto regime failed to create a pluralistic society to reflect the ethnic diversity of the archipelago. Its corrupt and highly centralised economic system led to growing disparities in the distribution of land and wealth. In the power vacuum following the fall of Suharto in 1998, these problems resurfaced with vigorous intensity, leading to conflicts which – even when eventually resolved as in the case of East Timor – have created a climate of increasing uncertainty and political and regional instability in Indonesia. This instability has direct links with the transmigration programme and is also affecting its future direction.

The most protracted and most popular movements for more autonomy or independence from Indonesia were, in part, a reaction to the centralising, authoritarian and corrupt practices of the Suharto regime and in response to military brutality and economic domination by Jakarta. Under Suharto, transmigration was used – alongside military repression – as a means of strengthening national defence and security. Placing transmigrants in areas where independence movements were strong – such as West Papua, Aceh and East Timor – was a tool of Jakarta's "internal colonialism". When Suharto's grip on power started to loosen, the tensions caused by this policy quickly surfaced. In Aceh, transmigration sites were attacked and new settlers received death threats from members of the Acehnese separatist movement (GAM), causing thousands of transmigrants to flee en masse to North Sumatra or return to their home villages<sup>27</sup>. In East Timor, transmigrants and other non-Timorese living in the territory fled in their tens of thousands during the run-up to the referendum on independence in August 1999. While there has been no comparable mass exodus of transmigrants from West Papua, there have been reports of substantial numbers of settlers leaving the territory<sup>28</sup>, as well as attacks on transmigration sites by the Free Papua Movement (OPM)<sup>29</sup> - and of transmigrants sheltering in the capital, Jayapura<sup>30</sup>.

In other areas, opposition to transmigrants from indigenous populations has become part of the struggle to recover cultural identity and re-establish control over resources<sup>31</sup>. In 1996-97<sup>32</sup> and again in early 1999,

<sup>22</sup> *Inside Indonesia* Jan-Mar 2001

<sup>23</sup> "Government to press ahead with peat land project." *Indonesian Observer*, March 30, 2000

<sup>24</sup> *Antara/Asia Pulse* 25/4/2000

<sup>25</sup> *Media Indonesia* 25/4/2000 [Note this differs from the figure given earlier of 15,600 families – both figures used by government officials.]

<sup>26</sup> *Banjarmasin Post* 21/2/2001

<sup>27</sup> Tapol (2000)

<sup>28</sup> In October 2000, Indonesian newspaper *Suara Karya* reported that 850 families or around 2,500 settlers in the Moswaren I, Moswaren II and Waegoe transmigration settlement units in Sorong district had fled to their homeland in Java for security reasons. (17/10/00)

<sup>29</sup> BBC Summary of World Broadcasts

Wednesday, October 11, 2000

<sup>30</sup> *South China Morning Post*, 31/7/ 2000

<sup>31</sup> *Detikcom* 27/9/99 - Mahasiswa Irja Tuntut Merdeka

hundreds of people died in bloody clashes between settler Madurese and indigenous Dayak communities in West Kalimantan<sup>33</sup>. In February 2001, more violence was sparked in Central Kalimantan and hundreds were killed, prompting the evacuation of tens of thousands of Madurese immigrants.

In Ambon the rising number of Buginese, Butonese, and Makassarese immigrants and high birth rates of Ambonese Muslims tipped the population balance in favour of Muslims during a period when Suharto was increasingly promoting islamization in Indonesia. When Habibie succeeded Suharto the situation rapidly deteriorated and violent Christian-Muslim clashes spread<sup>34</sup>. Thousands have been killed.

As a result of these conflicts thousands of transmigrant/migrant families had no other choice than to abandon their transmigration settlements or villages. However, non-transmigrant refugees from conflict areas heavily outnumber transmigrant refugees. According to SMTP figures released in January 2000, approximately 6.5 % of the total number of refugees from Aceh, West Kalimantan, Maluku and East Timor were transmigrants. Out of the total number of 73,508 refugee families in January 2000 there were 4,812 transmigrant families from various areas (Appendix 3). By November 2000, the total number had risen to 240,333 refugee families, or 1 million displaced people, sheltering in 18 provinces<sup>35</sup>. Among them an estimated 120,000 refugees from East Timor were still being forced to live in refugee camps in West Timor<sup>36</sup>. In Aceh, refugee numbers fluctuate according to the intensity of the Indonesian military's conflict with the GAM and the number of "sweepings" (village – to village search operations) conducted by the military. The number of refugees in camps decreased from 300,000 in December 1999<sup>37</sup> to 44,000 in November 2000<sup>38</sup>. There are now 215,000 refugees reported in Maluku province, and a further 207,000 in North Maluku, equivalent to 25% of the population of the two provinces<sup>39</sup>.

### **Environmental refugees**

Not yet included are the thousands of transmigrants from the PLG mega-project in Central Kalimantan (see box 1) who are potential environmental refugees. Many of the 63,000 people who were sent to the area from other provinces face an uncertain future. The peat land is not suitable for rice cultivation, the crops are destroyed by rodents, the drainage and irrigation system is not working properly and the groundwater is highly acidic and not suitable for drinking. It is predicted that many transmigration settlements will be abandoned because the settlers are not able to make a decent living under these environmental conditions<sup>40</sup>. To survive, settlers who are too poor to migrate back to their home villages have strong incentives to clear further land and become engaged in illegal logging activities.

### **Box 2: Integrated Economic Development Zone - KAPET**

The KAPET - or Integrated Economic Development Zone - is another legacy of Suharto's regime and the brainchild of then technology minister B.J.Habibie. KAPETs were introduced at the beginning of PELITA VI (1994/95) to develop the infrastructure for exploiting natural resources in Indonesia's eastern region, officially called 'KTI' (Kawasan Timur Indonesia). Transmigration – which could supply labour to areas of low population – fitted conveniently with the KAPET concept. The idea was developed as a result of government recognition that well-established infrastructure is a significant factor in attracting private and foreign investors.

Thirteen KAPETs have been established across eastern Indonesia region i.e. four each in Kalimantan and Sulawesi, one each in Maluku, NTB, NTT, West Papua and (now independent) East Timor. Agribusiness and agro-industry is the major sector prioritised for all KAPETs, in accordance with the concern of the state investment board (BKPM) to accelerate investment in productive and market-oriented sectors.

Under regional autonomy measures management of KAPETs is to be handed over to regional governments. Minister Erna Witoelar, as the head of the KAPET National Management Board, has emphasised the independence of KAPETs from the central bureaucracy. Although hitherto only the management of the Bukari KAPET in southeast Sulawesi has been handed to the province, in the near future the rest of the 12 KAPETs will follow suit<sup>41</sup>. This process is another way in which decision-making over transmigration will be transferred to local government hands.

<sup>32</sup>Human Rights Watch (1997)

<sup>33</sup>Detik 09/03/1999

<sup>34</sup>Kompas 06/12/1999

<sup>35</sup>Jakarta Post 10/11/2000

<sup>36</sup>AFP 23/12/2000

<sup>37</sup>DTE (November 2000)

<sup>38</sup>Jakarta Post 10/11/2000

<sup>39</sup>UN OCHA (2000)

<sup>40</sup>Personal observation, 1998

<sup>41</sup>"Pengelolaan KAPET harus mandiri", Kompas 16/11/2000



## VI. Institutional and Policy Changes in the Transmigration Ministry

### Institutional Reforms

One of the first actions President Wahid took when he came to power in November 1999 was to merge the Ministry of Transmigration and Forest Squatter Resettlement (Departemen Transmigrasi dan Pemukiman Perambah Hutan) with the office of the State Minister of Population (Kantor Menteri Negara Kependudukan). The new organisation was called the State Ministry of Transmigration and Population (SMTP)<sup>42</sup>. While the SMTP is responsible for policy-making, implementation is dealt with by a new central government body called The Population Administration and Mobility Agency (PAMA)<sup>43</sup>.

Structural reorganisation under regional autonomy means substantial changes for transmigration as it requires the decentralisation of authority from central to local government level (both provincial and district/city levels). Regional offices of the former Ministry of Transmigration and Forest Squatter Resettlement remain as “vertical” institutions of PAMA to be handed over to the local government. In April 2000 it was expected that the administration would be staffed with 17,000 employees, of whom 3,500 people would be employed in the central authority and the remaining 13,500 allocated to regional offices<sup>44</sup>.

As a result of the August 2000 cabinet re-shuffle the transmigration authority was again subject to institutional change. On 29 August the newly-created State Ministry of Transmigration and Population (SMTP) was again merged - this time with the Ministry of Manpower. It was anticipated that the merger would be completed by January 2001<sup>45</sup>. The new ministry is called the Ministry of Manpower and Transmigration.

### Policy Reforms

Institutional reforms to the transmigration department have been paralleled by ambitious policy reforms. The rather narrow concept of large-scale resettlement of poor but politically reliable Javanese farmers to the outer islands (“Javanisation and the redistribution of poverty”) has been replaced with a modernised and wider understanding of population policy, reflecting the current challenges of demographic and migration issues in Indonesia<sup>46</sup>. In 2000, SMTP's new policy was based on four strategic issues<sup>47</sup>:

- **Population:** to respond to dynamic changes in population issues after the (economic and political) crisis (e.g. SMTP preparation of a Bill on Population Registration);
- **Refugees:** SMTP's role was limited to preparing resettlement and public facilities;
- **Population Mobility:** to tackle problems in areas with limited resources and high population pressure; maximising the use of “idle land” identified as a priority;
- **Transmigration:** reorientation towards regional empowerment especially in tackling the problems of poverty, underdevelopment and unemployment. Hence the transmigration programme will be orientated in line with the development of economic regions and to support Local Government Income (Pemasukan Asal Daerah or PAD) as basis for regional autonomy.

The task of providing shelter and settlement for refugees was shared between the Ministry of Housing and Regional Development and the transmigration authority SMTP. Despite overlapping responsibilities both institutions put the refugee problem at the top of their agenda:

- the Ministry of Housing and Regional Development has set up an integrated programme to assist refugees<sup>48</sup>;
- as part of its new strategic focus the SMTP gave top priority to the resettlement of refugees (the second priority was maintaining the support for existing transmigration sites)<sup>49</sup>.

Refugee assistance by SMTP included both the temporary settlement in appointed buildings/areas and provision of food, medicines and clothing in co-operation with the local government, as well as the resettlement of refugees<sup>50</sup>. In principle, transmigrant refugees had the choice between returning to their previous transmigration sites or being resettled in a new place. Those willing to return to their previous sites would be

---

<sup>42</sup> Presidential Decree No.134/1999

<sup>43</sup> Presidential Decree No. 5/2000

<sup>44</sup>SMTP (April 2000) in written response to FEER

<sup>45</sup>Kompas 29/8/2000 - Jabatan Menteri Tenaga Kerja dengan Transmigrasi Diserahterimakan

<sup>46</sup> SMTP (March 2000)

<sup>47</sup>SMTP (April 2000) in written response to FEER

<sup>48</sup> "Usulan RAPBN Erna Witoelar Rp. 20 Triliun." *Detikcom*, November 30,1999

<sup>49</sup>SMTP (April 2000) in written response to FEER

<sup>50</sup>SMTP (April 2000) in written response to FEER

assisted with security assistance and infrastructure rehabilitation. (For many refugee transmigrant families this is not a viable option because the ongoing conflict deters them from returning.)

The major policy changes in SMTP's 2000 programme included<sup>51</sup>:

- freedom for transmigrants to choose to go to desired and suitable areas;
- many more opportunities for business and other activities;
- more focus on empowering local people and improving their social welfare;
- prioritising peoples' interests rather than government interests;
- providing various patterns to meet the needs and the capability of the areas;
- consideration of environmental impacts in the implementation of the programme.

### **BOX 3: HTI transmigration scrapped**

In early 2000 the State Ministry of Transmigration and Population announced its decision to terminate the *HTI-trans* programme. *HTI trans* was designed to supply labour to timber companies developing tree plantations for the pulp and wood-based industries. SMTP gave the following reasons<sup>52</sup>:

- the partnership between the transmigrants and the private timber company is unfavourable;
- the problems of land ownership due to the complication of competing land claims and land status;
- the average income of transmigrants is too low to sustain an appropriate living

In addition to the official reasons, it is common knowledge that the HTI scheme has been a failure because timber companies can make money faster elsewhere e.g. through supporting or being directly involved in illegal logging or shifting their businesses to other commodities. The fate of the transmigrants brought to work on HTI schemes is unclear. They have probably simply joined the struggle of most Indonesians to make ends meet during this transitional period.

### **Analysis**

'Transmigration is dead. Long live population mobility!' has become the hymn of the reformists in the Wahid government. High ranking transmigration officials are anxious to emphasise in media reports that with these programme changes the old concept of transmigration has been buried once and for all<sup>53</sup>. As Al Hilal Hamdi, Minister for Transmigration and Population until August 2000, summed up the expectations<sup>54</sup>: "We will be perceived as succeeding if there is no more transmigration programme".

In reality, the picture is far too unclear to say that Suharto-style transmigration is dead and buried. While the new emphasis on choice for transmigrants and "prioritising people's interests" is to be welcomed, there is no corresponding commitment to protect the land and resource rights of indigenous peoples in areas targeted for transmigration. Again, the emphasis on "regional empowerment" could be positive, except that this appears to be directed at increasing regional revenues, in line with the wider aims of the Wahid government to achieve economic recovery by attracting large amounts of investment in natural resources extraction industries. While it may well enrich local government officials, transmigration's involvement in a short-termist, unsustainable resource extraction economy will work against "empowerment" of local populations. Real empowerment involves strengthening local democracy, building a participative, equitable and environmentally sustainable economy, rooting out corruption and ensuring that local governments are made accountable for their actions. More fundamentally, there is no evidence that the new policy rejects the Java-centric attitudes of the Suharto regime, when Indonesia's outer islands were perceived as sparsely populated places inhabited by local [indigenous] populations lacking in the skills to fit in with centrally-imposed, national development goals.

The recent merger of the transmigration authority with the Ministry of Manpower is also clearly in line with the government's strategy to develop demographic mobility as the second main pillar of transmigration reform. Assuming that the main idea is to manage the allocation of labour - e.g. for the development of plantations, other agribusinesses or KAPET zones by the Ministry of Manpower - the new ministry will undoubtedly benefit from the experience of the former transmigration authority. Again, the implications are that transmigration will be directed according to economic, rather than social or environmental imperatives.

### **Refugees**

---

<sup>51</sup> *ibid*

<sup>52</sup> SMTP (April 2000)

<sup>53</sup> M.Saleh, Deputy Minister for Population Quality in South China Morning Post 3/5/2000

<sup>54</sup> *Far Eastern Economic Review* 30/3/2000

It was a smart move to designate the management of refugees as a new field of responsibility for SMTP. It is a well-known phenomenon that long-established bureaucracies whose existence is threatened because they have become redundant or have come under pressure to reform from critical outsiders have a remarkable capacity to adapt and find new areas of responsibilities to legitimise their existence. One legitimate option in tune with the IMF agenda would have been to eliminate the transmigration programme altogether, as also demanded by the critics of the transmigration programme. Partially attaching the task of refugee management to the transmigration authorities provides the following opportunities:

- to improve the tarnished image of the transmigration authority;
- to build up new channels of international co-operation and funding;
- to survive institutionally the current policy reforms

Despite the fact that there is currently a real need to provide institutional support for refugees in Indonesia, it remains to be seen whether there is a hidden agenda behind the inclusion of certain responsibilities of refugee management into the transmigration programme. Due to the worldwide increase of refugee numbers in the past decade and growing concerns of affluent societies about new migration waves, the "management of refugee streams" has become an important issue on the international political agenda. There should be little difficulty in attracting a considerable amount of international funding for a refugee programme in Indonesia. As such, a refugee programme is as much prone to potential misuse (corruption, hidden political agenda) as was the case with the old transmigration programme in the Suharto era.

## VII. Implementation of Policy Reforms

The fast-changing, transitional nature of the current political period in Indonesia makes it especially difficult to obtain a clear picture of how implementation of the policy changes and institutional reforms is proceeding. The transmigration authority is a well-established insular and secretive bureaucracy which has never had to account for its actions. Interviews and meetings with officials from the transmigration authorities revealed a deep-seated uncertainty and confusion within the transmigration bureaucracy about the future of the transmigration programme<sup>55</sup>. In general, uncertainty and the slow pace of the reform process make officials hesitant to provide information about the implementation process.

### New "local transmigration" focus

Mainly due to severe budget constraints and the introduction of regional autonomy, large scale transmigration schemes such as "general transmigration" (*transmigrasi pola umum*) have been terminated<sup>56</sup>. Before the August 2000 cabinet reshuffle, minister Al Hilal Hamdi stressed that under the new policy his department would only carry out intra-island or local transmigration (*trans-lok*) replacing the notorious inter-island transmigration of the past. This is supposed to be tailored to the requirements of local governments who, under regional autonomy measures implemented since January 2001, can now decide whether or not they want to take part in the programme.

Due to budget constraints, the sharp decline in the number of transmigrants volunteering for the programme and efforts to bring about institutional and political reform, the transmigration programme seems no longer pose as direct an institutional threat to forests and indigenous communities as it once did<sup>57</sup>. However, even if large scale transmigration is terminated the new transmigration strategy still raises a number of concerns. For example, local transmigration (*trans-lok*), like general transmigration, still has potential negative environmental and social impacts. *Trans-lok* carried out on small islands and/or in areas with indigenous people, e.g. the Mentawai islands, could have very destructive effects on the livelihoods of indigenous communities. A major concern is that local governments intent on increasing local revenues care more about exploiting natural resources to make money in the short term than they do about sustainable local development. For this reason the implementation of *trans-lok* needs to be closely monitored.

Another serious concern is *trans-lok* and protected areas (e.g. national parks). Although nowadays it is widely accepted internationally that an integrated approach should be used for the protection of wildlife, i.e. local communities playing an active role in the protecting conservation areas, the enforced displacement of forest dwellers to "protect nature" is still very much practised in Indonesia. One recent example was the attempt to evict Moronene people from the Rawa Aopa Watumohai National Park in Southeast Sulawesi and resettle them on a site outside<sup>58</sup>. *Trans-lok* schemes in or around protected areas therefore require critical observation, too.

---

<sup>55</sup> Personal communication with members of SMTP in Jan./Feb. 2000

<sup>56</sup> "Transmigrasi reguler sudah dihentikan" *Kompas* 6/12/2000

<sup>57</sup> Sunderlin (1999)

<sup>58</sup> *Down To Earth Newsletter*, February 2001

## Refugees

Currently there is little evidence that the concerns raised in early 2000 by DTE over the "recycling" of refugees through the transmigration programme have materialised, particularly the concern that transmigrants would be resettled back into conflict areas<sup>59</sup>. Although these concerns are in principle justified, in practice there are some factors which may prevent a vicious circle:

- Although there may have been plans and targets for the development of transmigration sites in existing conflict areas (e.g. in Aceh), implementation has been stalled due to increased tensions/conflicts in these areas<sup>60</sup>.
- There is an increased awareness among transmigration officials about the risks of setting up new transmigration sites in conflict areas<sup>61</sup>. Officials are also aware of the need to translate change in transmigration policy into practice, e.g. to consider the concerns of indigenous and local people<sup>62</sup>.
- Decentralisation is likely to act as a new "barrier" to transmigration due to the lack of local support for transmigration.
- Scarce financial resources will severely limit the ability of the transmigration authorities to set up transmigration sites in conflict areas because of additional security costs and the increased risk to investments.
- Limited motivation and readiness of transmigrants to return or to resettle in conflict areas<sup>63</sup>.
- New strategies for transmigration/refugee management (e.g. choice of destination, local empowerment etc.).

Contradictory figures make it difficult to evaluate the true extent of the transmigration authorities' engagement in the resettlement of refugees. For example, Sunderlin (1999) reported that the transmigration programme was involved in resettling 10,000 Madurese families from West Kalimantan; 23,000 Bugis and Buton families from Ambon; around 2,000 transmigrant families from Aceh; and 32,000 East Timorese families<sup>64</sup>. However, SMTP only claimed to have been involved in providing settlement for 2,287 displaced families by the end of the fiscal year 1999/2000. For the fiscal year 2000 SMTP had a target to resettle a further 1,260 refugee families<sup>65</sup>. Other figures show that SMTP was involved in resettling less than 5% of refugees (27,000 people in comparison of a total of 597,979 displaced people until May 2000)<sup>66</sup>. Despite SMTP's new strategic focus on assisting displaced refugee families, its ability to do so is clearly restricted by budgetary constraints. The vast majority of refugees is confined to living in refugee camps, returning to conflict areas or to migrating on their own initiative to other provinces in search of peace and a livelihood. The "environmental refugees" of the Central Kalimantan mega-project and the many other failed sites face an immediate future of struggling to survive in an inhospitable environment and/or looking for outside work – where limited options include the illegal logging or mining industries. Clearly, the major problem for the refugee transmigrants (and other refugees), therefore, is the lack of institutional and financial support.

## VIII. International Development Assistance and Transmigration

Loans from multilateral development banks bankrolled the Indonesian transmigration programme mainly during the 1980s. The World Bank was the major player, part-financing the "official resettlement" of more than 2.3 million transmigrants and catalysing the resettlement of more than 2 million "spontaneous migrants"<sup>67</sup>. Although the World Bank financing did not exceed 10% of the budget of the transmigration programme over the 1976-1989 period, a series of Bank loans totalling US\$500 million in that period was crucial in attracting tens of millions of dollars in further support from numerous other bilateral and multilateral sources<sup>68</sup>. World Bank funding covered both development of individual transmigration sites and strengthening of the overall transmigration programme, including highly sensitive activities such as resettlement schemes in East Timor, military transmigration, penal settlements and transmigration of political prisoners. As a result of massive international and domestic criticism, in 1987 the World Bank decided not to provide further loans for the

---

<sup>59</sup> *Down To Earth Newsletter*, February, 2000 - "Transmigrants and Refugees."

<sup>60</sup> Personal communication with a leading official in SMTP, January 2000

<sup>61</sup> *Ibid.*

<sup>62</sup> Deputy Minister Harry Heriawan Saleh quoted in *South China Morning Post*.

<sup>63</sup> *Ibid.*

<sup>64</sup> Sunderlin (1999)

<sup>65</sup> *Ibid.*

<sup>66</sup> *South China Morning Post* 3/5/2000 - "Broken dream of migrant harmony."

<sup>67</sup> World Bank: Indonesia Transmigration Sector Review (quoted in Rich 1994)

<sup>68</sup> Anderson & Spear (1986), quoted in Fearnside (1997)

development of new transmigration sites<sup>69</sup>. However, in 1992, the Bank disbursed another US\$220 million loan to support "Second Stage Transmigration" i.e. to salvage existing transmigration sites<sup>70</sup>.

Both the World Bank and the Asian Development Bank (ADB) were also key players in providing external financial assistance for the development of the tree crops sector. By 1993, the World Bank had disbursed US\$909 million in agricultural loans for plantation development, which supported additional resettlement in pristine tropical rainforests. Between 1969 and 1993 the World Bank and the ADB together provided US\$1.4 billion, equivalent to 92% of the external financial assistance, and about 15.2% of the total investment within this subsector<sup>71</sup>. In the 1990s, thanks to this help, the transmigration programme essentially became a source of cheap labour for oil palm and other tree cash crop estates<sup>72</sup>. There were also more World Bank and ADB financed projects with indirect links to the transmigration programme such as the Integrated Swamp Development Project (ISDP) (see below).

More recently, there has been close collaboration between multilateral donor organisations and other key agencies (IMF, World Bank, ADB etc.) to try to tackle the financial crisis. There has also been close donor co-ordination on sectoral policy approaches and sector work<sup>73</sup>. The following section provides an overview of these projects and reflects on the role of the major donor banks during the economic crisis.

## A: The World Bank

In the first 18 months of Indonesia's economic crisis and political change the World Bank, a key development partner during Suharto's 32 year reign, struggled to fashion a new country strategy appropriate to the complex situation in Indonesia. Furthermore, the Bank was forced to review critically and adjust all aspects of its country programme at the same time that the Bank's East Asia Region was itself undergoing a major institutional reorganisation. It took the World Bank until March 1999 to formulate an Interim Country Assistance Strategy (CAS) to guide the next 12 to 18 months of its programme in Indonesia. This focused on (1) the reinforcement of social safety nets to help protect the poor and preserve human assets during crisis times, (2) the assistance of government efforts to stabilise the economy and restructure the financial sector, and (3) the strengthening of institutions to support sustainable growth<sup>74</sup>.

The CAS is reflected in the Bank's lending portfolio, which consist of two types of loans: Sectoral Adjustment Loans (SAL) and Project Loans. There is no direct link between current SAL loans and transmigration (Table 2), but there are two project loans relating directly or indirectly to transmigration issues.

Table 2: Current Structural Adjustment Loans

Name and Purpose of SAL	Status
AGSAL Agricultural Sector Adjustment	considered, but never appraised
FORSAL Forestry Sector Adjustment	unclear
PRSL Policy Reform Loan	Two loans disbursed
SSNAL Social Safety Net Adjustment Loan	First loan disbursed, second loan delayed
WATSAL Water Sector Adjustment Loan	Active
Government Adjustment Loan	Non-Active
Urban Poverty Adjustment Loan	Not yet decided
SECAL Energy Sector Adjustment Loan	Not yet decided
Telecommunications Sector Adjustment Loan	Active

- **Integrated Swamp Development Project (ISDP)**

ISDP was one of the World Bank's last projects directly linked with the government-sponsored transmigration programme. It was claimed as the Bank's first attempt towards an integrated approach to *upgrade* existing transmigration schemes rather than opening new settlements. The project was to be implemented over six year period (1994-2000) in twenty existing swamp settlement schemes, covering an area of about 55,000 ha in Jambi, Riau and West Kalimantan provinces. The estimated costs were around US\$ 106 million of which US\$ 65 million was the World Bank's loan contribution. The number of transmigrant families affected by this

<sup>69</sup> Colchester (1987)

<sup>70</sup> Fearnside (1997)

<sup>71</sup> ADB (1997). Impact Evaluation Study

<sup>72</sup> Fearnside (1997)

<sup>73</sup> Asian Development Bank (2000)

<sup>74</sup> World Bank (1999)

particular project is not clear, although it is estimated that up to 1994, 3.3 million ha of swamplands in Sumatra, Kalimantan and Sulawesi were developed, accommodating about 1.6 million families.

The development of coastal swamp areas presents major ecological challenges and problems for the sustainable management of marginal soils. Swamp soils have severe limitations for sustainable agricultural production and many transmigration sites in these swamp areas support settlers only at subsistence level. The main aim of ISDP was to alleviate poverty in selected existing swamp settlement schemes through further development of their agricultural potential. (See also *IFIs Update* 16, June 2001 for more on this project.)

The continuation of the ISDP is unclear following the World Bank portfolio status rating for the project as unsatisfactory<sup>75</sup>. This leaves the fate of the transmigrants in the project uncertain. It is not yet clear what, if anything, the World Bank intends to do about these people, although it does admit the need to review the ecological impact of its policies, strategies and programmes, as the impacts of settlement schemes on fragile coastal ecosystems have become evident<sup>76</sup>.

- **Land Administration Project**

The Land Administration Project (LAP) is a US\$ 140.1 million project co-funded by the Government of Indonesia, the World Bank and AusAid, and implemented by BPN (*Badan Pertanahan Nasional* – Indonesian Land Agency). The main objectives of the project were to foster efficient and equitable land markets, the alleviation of land conflicts through acceleration of land registration, the improvement of the institutional framework for land administration and the development of long-term land management policies. LAP phase I took place in the period of 1995 – 2000 and was completed by November 1999, (one year ahead of schedule) resulting in more than 1.2 million land titles in Java issued by BPN. Despite scepticism over the project's impartiality – it was seen as favouring investors and land-owners - a social impact assessment carried out in 1999 concluded that LAP I was strongly beneficial in its impact and particularly helped poorer landholders. Survey results indicated strong stakeholder demand for a continuation of the programme<sup>77</sup>.

The Bank's LAP II Project Information Document suggests that the proposed project will take a radically different approach to that of LAP I, which focussed on systematic land titling under the centralised authority of the BPN. The document claims that LAP II will put a strong emphasis on community involvement and participation, after learning an important lesson from LAP I on the value of social assessment. LAP II will be implemented over five years and is planned to start by April 2001. However, with the introduction of regional autonomy, the extent to which LAP II is implemented may well depend on the whether or not district and provincial government want the project in their areas.

What is the relation between LAP and transmigration? LAP aims to provide secure tenureship/land titles to land owners: if transmigrant land is included, this will result in the legalisation of land taken over by the transmigration authorities from indigenous people without acknowledgement of customary (*adat*) rights and/or adequate compensation. These concerns have been raised by Indonesian NGOs who argue that as long as LAP does not recognise the customary land rights, the result will be the erosion and destruction of indigenous institutions which control land and natural resources.<sup>78</sup> Thus the implication of LAP is not exclusively related to transmigration alone, but to all projects and planning activities involving land and natural resources.

Recent indications are that the World Bank is paying some attention to these concerns. LAP II has been delayed and the Bank is no longer pressing to include customary-owned land in the project. LAP I has made such slow progress that there are now doubts about whether the project will be implemented outside Java at all.

## **B: The Asian Development Bank (ADB)**

Like the World Bank, the ADB was forced to change its Country Operational Strategy (COS) as a result of the economic and political crisis in Indonesia. Before the crisis, ADB lending operations in Indonesia were guided by the COS prepared in 1994 which focused on (i) improvement of physical infrastructure; (ii) human development; and (iii) sustainable resource management. At least one project supported by ADB in pre-crisis times was linked to transmigration, namely the *Tree Crop Small-holder Project*.

When the crisis hit, the ADB joined the World Bank in drawing up an interim strategy for short-term crisis management. This strategy was built on the need to restore the government's financial institutions/services and

---

<sup>75</sup> World Bank (1999). Annex B8

<sup>76</sup> World Bank (1994). p.3

<sup>77</sup> World Bank (2000)

<sup>78</sup> KPA (without year)

to mitigate the socio-economic impacts caused by the financial crisis or SAPs. Consequently, the post-crisis focus of ADB has shifted to (i) financial sector reforms; (ii) improving environmental management; (iii) providing key social and public services with a focus on low income groups (Social Safety Net programme); and (iv) assisting the restoration of key infrastructure due to inadequate provision of operational and maintenance funds during the crisis<sup>79</sup>.

As a result there has been a significantly reduced scope for projects/programmes with a potential link to transmigration. ADB funding, which before the crisis would have been allocated for e.g. physical infrastructure development, has been used in the past three years to mitigate social impacts of the economic crisis, address critical issues in the financial sector, support policy development and capacity building in a number of key sectors and assist with the decentralisation of public sector services. Consequently, there is no indication from the list of projects approved after mid-1997 that ADB loans were involved in financing or cross-subsidising transmigration schemes, although it is difficult to rule entirely out the possibility that some transmigrants may have also been included in the projects (Table 3).

**Table 3: Post Crisis ADB-Projects during interim COS**

Approval Date	Project Title	Approval Date	Project Title
Jun-97	Intensified Communicable Disease Control	Mar-98	COREMAP
Jul-97	Participatory Dev. in Agriculture	Jun-98	Financial Governance Reform SDP
Nov-97	Second Junior Sec. Education (2)	Jun-98	Financial Governance Reform Project
Nov-97	Rural Income (2)	Jun-98	Capacity Building for Financial Govern.
Nov-97	Coastal Comm Development (2)	Jul-98	Social Protection Project
Nov-97	NSIAS	Nov-98	Eastern Islands Air Transport
Dec-97	Eastern Islands Air Transport	Mar-99	Power Sector Restructuring
Dec-97	Metro Medan Urban Development	Mar-99	Cap. Bldg. Establ. Electricity Market
Jan-98	C-Sulawesi AD and Conservation	Mar-99	Health & Nutrition Project (2)

Source: ADB 2000, Appendix 2, page 2-3

Nevertheless, some ADB projects approved in the pre-crisis period which do have links to transmigration are still continuing. These are in the tree crop plantation sector.

- **Tree Crop Small-holder Project**

Tree crop development was first linked with transmigration during REPELITA III (1979-1984) at a time when the government was applying for new World Bank loans. From the early 1980s considerable World Bank and ADB funds were made available to expand tree crop plantation development using NES (Nucleus Estate and Smallholders) schemes. Between 1981 and 1995 the ADB helped finance five of these schemes. NES projects were concerned with new area development on the outer islands and involved clearing forested land and establishing transmigration sites. Up to 80% of the participants in NES projects were transmigrants, who were sent to newly cleared areas in remote regions in Kalimantan, Sumatra, Riau and West Papua. At the estate areas they were provided with land, houses and community facilities and received agricultural support and extension services mainly to grow tree crops such as rubber and oil palm for export.

Historically the ADB is the second most important donor (after the World Bank) financing the development of the tree crop sub-sector in Indonesia. The ADB provided US\$ 491 million, equivalent to 32 percent of external assistance, and about 5 percent of the total investment in the sector between 1969 and 1993<sup>80</sup>.

NES schemes have meant that investors (private sector and state-owned companies) have been able to penetrate new areas of Indonesia's rainforests with government backing and with the financial support of the ADB and World Bank. The link with the transmigration programme ensured a ready supply of cheap labour

<sup>79</sup> Asian Development Bank (2000)

<sup>80</sup> *ibid*

both to produce raw materials and process them. Most smallholder projects are in Riau, North Sumatra, Jambi and West Kalimantan.

After the launch of NES, plantations rapidly expanded under the “PIR-trans” [NES-transmigration] programme (1986-1994) and the KKPA (Koperasi Kredit Primer Anggota) credit scheme (1995-1998). Virtually non-existent before 1978, the area planted with oil palm area by smallholders in such schemes grew to 824,298 ha in 1997 and production increased to more than 1,15m tons<sup>81</sup>. The ADB’s role was pivotal in initiating oil palm development in various provinces, acting as a “door opener” for the private sector. For instance, the ADB was a pioneer of the NES approach in North Sumatra and Riau where the Bank’s projects funded some 20 percent of the NES oil palm area. After the ADB became involved, the oil palm area held by the private sector in these provinces jumped to 323,000 ha in 1994 from 50,000 ha the previous decade.<sup>82</sup> The ADB has applied a similar strategy to initiate the development of oil palm NES schemes in Prafi, West Papua. As a result, private plantation companies are currently applying for concession areas in West Papua<sup>83</sup>.

Like other transmigration projects, NES schemes have caused serious environmental, social and economic problems. According to research carried out by Indonesian NGOs in the early 1990s, ADB-financed NES schemes contributed to deforestation, environmental pollution, loss of biodiversity, increased erosion risks and the displacement of indigenous people. In many cases transmigrants found themselves worse off than before. Their tree crop operations and futures were insecure and wholly dependent on the nucleus estate and world market commodity prices. They also faced problems with land entitlement, corruption and malpractice, and difficulties in paying off their loans<sup>84</sup>.

The primary goal of the oil palm companies currently applying for concessions in West Papua is believed to be to gain access to timber from the largely undisturbed rainforest areas there. This underlines the fact that ADB smallholder projects share direct responsibility for rapid rainforest destruction. The ADB - not surprisingly – draws a different conclusion: environmental impacts are regarded as minor and socio-economic impacts are downplayed, while NES projects (especially oil palm) are regarded as successful in terms of changing industry policies and structure, increasing crop production and in their economic impacts<sup>85</sup>.

#### PMU schemes

Since 1992 tree crop projects supported by the ADB have been focusing entirely upon assisting existing smallholders mainly in Kalimantan and Sumatra. This type of project approach, called *Project Management Units (PMU)*, aims to assist existing independent smallholders with technology, credit and simple crop processing and marketing support. This is channelled through a PMU organised by the *Director General of Estates (DGE)*. The shift towards the PMU project approach marks the end of the period when the ADB was heavily involved in cross-subsidising the government transmigration programme through NES schemes. The shift parallels a similar change in World Bank financed projects from new sites to assisting “second-stage transmigration”. It is difficult to say whether the mounting domestic and international criticism, the astronomic costs of the resettlement component of the NES schemes or the ecological and social disasters unfolding at some transmigration sites was the major trigger behind the ADB’s decision to stop financing NES schemes. Astonishingly, the Bank itself seems no longer to know the reasons behind its decision to embark on a new strategy<sup>86</sup>.

#### Recent tree crop smallholder projects

Appendix 2, page 2 of its Country Assistance Plan for the period 2000-2002 indicates that the ADB has approved one Tree Crop Smallholder project as public sector project in the period 1992-2000<sup>87</sup>. Another ADB paper discloses that the Bank disbursed altogether six different loans (Table 4) to assist smallholders with tree crop development in the period 1992-1996<sup>88</sup>.

**Table 4 ADB-assisted Tree Crops Projects**

Loan No.	Implementation Period	Main Beneficiaries	Main Crops	Method <sup>a</sup>
1118	1992 – 2000 (?)	Smallholders	Rubber and tea	PMU
1184	1993 – 2000 (?)	Smallholders	Upland Crops	PMU
1186	1993 – 2000 (?)	Smallholders	Rubber and oil palm	PMU

<sup>81</sup> Casson, A. (1999)

<sup>82</sup> Asian Development Bank (1997)

<sup>83</sup> Sunderlin (1999)

<sup>84</sup> *Setiakawan* (1992)

<sup>85</sup> Asian Development Bank (1997)

<sup>86</sup> *ibid*

<sup>87</sup> Asian Development Bank (2000)

<sup>88</sup> Asian Development Bank (1997)



1258	1994 – ongoing	Smallholders	Tree Crops	PMU
1351	1995 – ongoing	Smallholders	Upland Crops	PMU
1469	1996 – ongoing	Smallholders	Tree Crops	DGE

<sup>a</sup> PMU: implemented by DGE using Project Management Units

DGE: implemented by DGE/other agencies using Project Management Offices

The link between PMU projects and transmigration is much less obvious than with NES schemes. In other words, whereas NES schemes were concerned with the resettlement of transmigrants to expand the area of resource exploitation, PMU schemes focus on maximising resource exploitation through existing smallholders. However, this focus on existing smallholders does not exclude the possibility that the schemes involve local transmigrants (*trans-lok*) or attract spontaneous transmigrants given the fact that plantation industries – especially oil palm – are labour intensive.

From the macro-economic point of view – and the Bank’s perspective – both strategies are viable means to increase the production of cash crops and to increase national income while both strategies possess specific strengths and weaknesses. What is clearly a point of concern in the light of the IMF-targeted liberalisation of the oil palm and other tree crops market in Indonesia is the fact that despite domestic and international criticism, NES schemes are still considered a viable *future option* to foster the further development of the tree crop sector. This view is expressed in an ADB internal evaluation document<sup>89</sup>. Although published in 1997 there is little reason to believe that the evaluation has changed fundamentally since then.

In 1999 the ADB announced it would launch a new medium-term COS in the course of the year 2000. The COS is being prepared in co-ordination with the new five-year development plan (REPELITA VII) which has been delayed for two years because of the political transition process. Although the new COS is not yet finished it can be expected that the development of a medium-term strategy will be based on the present sector strategies currently in the process of being redrafted and adjusted by the Wahid government and its IMF-led creditors.

The strategies which may cause the greatest concern for the future with regard to transmigration are in the Agriculture and Rural Development and Forestry and Natural Resources sectors. In its economic assessment the ADB – like the World Bank – stresses Indonesia’s potential for increasing yields in a variety of estate crops, thus promoting the development of export-oriented agricultural production in this sector. The ADB’s understanding of “exploring opportunities in sustainable management of forestry resources” seems largely based on a similar approach, with the apparent aim of turning Indonesia into a plantation economy supplying the world market with cash crop products.

It will be difficult to make a proper assessment until the Indonesian government comes up with its mid-term investment/development plan (REPELITA VII) and the ADB publishes its new COS/sector strategies and updates its list of projects. In the meantime it will be important to monitor the ongoing policy of promoting large scale plantations.

#### **Box 4: The liberalisation of oil palm**

The IMF structural adjustment programme aims to install market mechanisms as a key tool for resource allocation and management. Under point 39 of the first IMF reform package signed in 1998 the Indonesian government was forced to open its doors to further foreign investment in oil palm plantation development<sup>90</sup>. This deregulation of the oil palm sector fits with Jakarta’s priority to increase national export earnings, as well as with current world market conditions and the ADB’s project findings that NES and PMU oil palm schemes produce superior income and debt recovery rates than other tree crops such as timber, cocoa, cotton or rubber<sup>91</sup>. It also fits in with SMTP’s decision announced in early 2000 to terminate the timber estate transmigration scheme (HTI) (see box 3)

While timber estate development has been phased out of the transmigration programme and other tree crops are less attractive, oil palm remains the major commodity for further plantation development in Indonesia. Now, rather than Bank-funded projects or state-owned plantation companies, it is the private sector that is the driving force behind the current developments, characterised recently by a CIFOR researcher as the “hesitant oil plantation boom”<sup>92</sup>. This is the result of the successful collaboration over the past 14 years of the government and the multilateral development banks to encourage the private sector to invest in plantation development schemes including private NES schemes. Private investors were given subsidies to help them overcome risks and uncertainties associated with establishing tree crop estates involving

<sup>89</sup> *ibid.*

<sup>90</sup> WALHI/Friends of the Earth Indonesia (1998)

<sup>91</sup> Asian Development Bank (1997)

<sup>92</sup> Casson, A. (1999)

smallholders. The ADB also helped to further deregulate the tree crops sector by assisting the government with industry policy changes. As a result, as many as 256 private sector companies have applied in recent years for a new Transmigration Implementation Permit (IPT = Ijin Pelaksana Transmigrasi)<sup>93</sup>.

For a variety of reasons, however, oil palm plantation development has slowed down since the crisis<sup>94</sup>. Many of the large conglomerates which dominate the Indonesian oil palm sector are heavily indebted and lack the necessary financial resources for new plantation development (even in pre-crisis times the private sector was hesitant to spend large sums on the costly infrastructure needed to accommodate transmigrants). Looting of plantations has become a major headache in Indonesia threatening investment and privatisation plans<sup>95</sup>. Another development which has confused companies and deterred them from further investment in the tree crops sector is the government's promotion of a "people's economy". Under a new oil palm development scheme announced in 1999<sup>96</sup> the government is encouraging investors to team up with local smallholders and co-operatives in the ownership and operation of oil palm plantations. Both co-operatives and private investors are offered incentives through five new schemes, but from the investor's view only one option presents a practical form of joint venture. This is the option closest to the current NES or "nucleus-plasma" programme. It involves a 35:65 equity ownership, i.e. co-operatives buy a 35 percent stake of the plantation owner's equity. The government's idea is to break with the quasi-monopolies of the past, to "create a sense of belonging for the local people" and "to encourage the local people to protect plantation areas from looting, theft and damage"<sup>97</sup>. However, the complicated nature of the scheme and lack of implementation guidelines as well as investors' concerns over land security and political and economic stability have caused private investors to adopt a "wait-and-see" position.<sup>98</sup>.

It is a matter of time – and the recovery of oil palm prices – before the next boom in oil palm plantation development in Indonesia. With land suitable for oil palm plantations already limited in Jambi, Riau, Aceh, Bengkulu, West Sumatra, East Kalimantan and West Kalimantan, private investors will have to compete for concessions in more remote areas such as West Papua. Since plantation development in remote areas has always involved attracting the necessary workforce to the place of resource exploitation, the establishment of more "smallholder tree crop programmes" and/or private NES schemes which require transmigrant labour is foreseeable.

## IX. Who is working on transmigration?

Since the financial crisis began, relatively little research seems to have been done on transmigration. As part of the research for this report, several NGOs which have worked on transmigration issues or were interested in this topic in the past, were contacted and asked whether they were currently working on transmigration issues, including:

- Walhi
- Watch! Indonesia
- OXFAM
- IMBAS
- Asienhaus (Germany)
- BIC
- CIFOR
- WRI

The responses suggest that among the contacted organisations/individuals there seems to be no one working specifically on transmigration issues. There are certain groups/individuals who are monitoring transmigration because it overlaps with their core interests including DTE, WRI and WATCH! INDONESIA. Some may research certain aspects of transmigration as part of a bigger research agenda (e.g. CIFOR in Bogor). Other groups, which were involved in the international campaign against transmigration ten years ago (e.g. IMBAS) have stopped following up transmigration issues. The result of this research seems to suggest that other, more urgent topics have pushed aside transmigration issues from the monitoring/research agenda of NGOs. However, because of the limited nature of this investigation, it is possible that the research failed to detect NGOs/ individuals who are currently working on transmigration issues.

---

<sup>93</sup> SMTP (April, 2000)

<sup>94</sup> Casson, A. (1999)

<sup>95</sup> *Indonesian Observer* (13/07/2000)

<sup>96</sup> Plantation Use Permit Regulation, 107/Kpts-II

<sup>97</sup> Muslimin Nasution, quoted in *Jakarta Post*, July 1999

<sup>98</sup> Casson, A. (1999)

## X. Conclusion

This report argues that the old pattern of government-sponsored, centralised, large scale transmigration in Indonesia is history, at least in current, crisis-ridden Indonesia. In August 2000, three years after the financial collapse of transmigration programme in the aftermath of the Asian economic crisis, large-scale transmigration (i.e. general transmigration) was officially terminated by the Indonesian government. The vast amounts of funding needed to support large scale resettlement are no longer available and today the priority of the Indonesian government is to try and effect an economic recovery while attempting to contain political and social unrest. Besides financial constraints, other factors triggering institutional and political reform of the transmigration programme are a) the increased leverage of IMF and World Bank to demand structural reforms, budget austerity and the elimination of state subsidies; b) decentralisation/ regional autonomy; c) increased social conflicts and d) the new phenomenon of refugees.

The reform of the transmigration programme, however, has to be seen as a piece of *realpolitik* whose purpose is to demonstrate Jakarta's commitment to implementing the austerity policy required by the IMF and World Bank in exchange for new loans. If the purpose had been genuine political reform, there would have been no shortage of arguments in favour of abandoning the transmigration programme altogether. With many members of the "old elite" still sitting in influential positions in the bureaucracy and military, perhaps not unexpectedly, there has been little enthusiasm for such a radical approach. Instead, technocrats in the bureaucracy have successfully searched for ways to keep the transmigration programme alive, to furnish it with a new purpose (refugee management) and to create a slim-line version small enough to be acceptable to the international creditor community. This strategy to prolong the lifespan of a programme which is no longer useful or desired by the public allows the government to avoid the adverse political reaction that might result if it were to be totally axed. More dangerously, it means that the option to re-establish transmigration Suharto-style is left open should a more authoritarian government take control in the future.

It is definitely too early to declare transmigration as a "non-issue" bearing in mind that transmigration's underlying concept – the distribution of cheap labour - has been applied both by colonial and post-colonial governments in Indonesia during the last 100 years. It is still very early days yet, but the new-style transmigration policy or "demographic mobility programme" raises many unanswered questions. There is a possibility that, unless opposed, many of the problems which made Indonesia's transmigration notorious during Suharto era could return in a new form. "Reform" has already shown a tendency to fail to achieve anything substantial (e.g. reform of the forestry law) and the old guard in the transmigration bureaucracy and within the military could well regain the upper hand in future. There is a need to carefully monitor and evaluate "reformed" transmigration.

The economic crisis in Indonesia has provided potential investors with a huge landless and impoverished proletariat and more than one million internally displaced people (refugees) desperately seeking employment and income and ready to join new plantation development schemes or to move to new KAPETs. On a global level, the large-scale labour migration streams of the past 20 years indicate that the business entrepreneurs in the 21<sup>st</sup> century no longer necessarily require state-organised labour movement schemes like transmigration to supply a cheap workforce. In Indonesia, however, the government has merged the Transmigration ministry with the Ministry of Manpower with the apparent aim of managing and directing the flow of the unemployed masses to suite the labour requirements of big business.

The focus of the new transmigration policy is to support population mobility - shifting cheap labour and internally displaced people through the local transmigration scheme (*trans-lok*). Under the 1999 regional autonomy act (No 22), local governments are allowed some discretion in deciding the level of their areas' involvement with transmigration. On the one hand, the new *trans-lok* focus may help to avoid tensions between local and central government. On the other, the high priority given by some local governments to increasing local regional income at the expense of community and environmental interests, may also mean that the use of *trans-lok* transmigrants to work on large-scale commercial projects will exacerbate tensions within regions. As with many other sectors, transmigration has been forced into a "wait-and-see" position due to uncertainties over regional autonomy.

On a wider level, it has become obvious that the democratically elected government and its international creditors have failed to address the need for a new model of development for Indonesia. The continuing pro-export economic policy and pro-big business focus means that the needs of impoverished rural communities continue to be sidelined. As far as transmigration is concerned, this also lends weight to the impression that promises of a "reformed" programme may bring nothing but a change in transmigration terminology with no meaningful change in rationale and attitudes.

At best, then, the new changes to transmigration can be seen as offering some scope for improvement in a fundamentally flawed programme. At worst the programme will continue inflicting damage on rural and

indigenous communities and the environment. In both cases the best course would be to end transmigration once and for all. As an outmoded, top-down tool of social engineering transmigration should not be permitted to survive.

It may be that transmigration will die a natural death: decentralisation of decision-making about development, land and resource use could have the effect of making centrally-controlled transmigration so totally and obviously redundant that even its die-hard supporters will no longer be able to justify its existence. On the other hand transmigration may be allowed to limp on indefinitely. In this case a concerted effort will be required to ensure its termination.

Funds and energies currently absorbed by transmigration need to be directed towards participative, consultations on how to deal with the enormous mess that transmigration has left in its wake. Instead of directing state funds towards providing labour for huge oil palm plantations, the government needs to invest in the process of reconciliation and rehabilitation in areas affected by transmigration. This will require fundamental reform of land, forestry and other related laws so that rights to lands and resources of indigenous peoples are given full recognition.

There is also a need, on the part of the international lenders which have been involved in funding transmigration in the past, to admit shared responsibility for the violation of rights and environmental destruction committed under the programme. One way to take positive action would be to provide international assistance (as grants, not loans) towards tackling the huge and growing problems of internal refugees.

## **XI. References:**

Some valuable inputs for this report have been generated from the following media sources:

- *Bisnis Indonesia*
- *Detikcom (online)*
- *Far Eastern Economic Review*
- *Financial Times Germany*
- *Kompas*
- *Republika*
- *South China Morning Post*
- *The Indonesian Observer*

Anderson J & Spear J (1986). World Bank Money aids in colonization. *The Washington Post*, 24 June 1986

Asian Development Bank (1997). *Impact Evaluation Study of Bank Operations in the Industrial Crops and Agro-Industry Sector in Indonesia*, IES: INO 97010

Asian Development Bank (2000). *Indonesia Country Assistance Plan 2000-2002*. Jakarta

Barber, C.V., and J.Schweithelm (2000). 'Trial By Fire: Forest Fires and Forestry Policy in Indonesia's Era of Crisis and Reform'. Washington D.C.:World Resources Institute in collaboration with WWF-Indonesia, and Telapak Indonesia Foundation

Budiardjo, C. (1986). 'The politics of transmigration' *The Ecologist* 16

Casson, A (1999). 'The Hesitant Boom: Indonesia's Oil Palm Sub-Sector in an era of economic crisis and political change' Programme on the Underlying Causes of Deforestation, Centre for International Forestry Research (CIFOR), Bogor

Colchester, M (1987). 'Programme slashed in response to transmigration campaign.' *The Ecologist* 17

Departemen Transmigrasi dan PPH (1999). *Pengendalian Penyelenggaraan Transmigrasi TA. 1999/2000*. Bihro Perencanaan, Jakarta

Donner, Wolf (1987). *Land Use and Environment in Indonesia*, University of Hawai Press, Honolulu

- DTE (1991). *Pulping the rain forest*. The rise of Indonesia's paper and pulp industry. Special Report No. 1. London
- DTE (2000). 'Transmigrants and Refugees' Newsletter No. 44, London
- DTE (November 2000): 'Aceh: ecological war zone' Newsletter No. 47, London
- Fasbender, K. & Erbe, S. (1990). *Towards a new home: Indonesia's managed mass migration. Transmigration between poverty, economics and ecology*. HWVA Hamburg Institute for Economic Research, Verlag Weltarchiv, Hamburg
- Fearnside, P M (1997). 'Transmigration in Indonesia: Lessons from Its Environmental and Social Impacts' *Environmental Management* Vol. 21, No. 4, pp. 553-570
- Gardiner, P (1992). 'Development, human settlement and pressure on forest resources in the Indonesian frontier'. Paper presented at the Seminar on Population and Deforestation in the Humid Tropics, 30 Nov-3 Dec 1992, Sao Paolo
- Government of Indonesia (1994) REPELITA VI: Indonesia's Sixth Five-Year Development Plan (1994/95 – 1998/99). [www.indonesianet.com](http://www.indonesianet.com)
- Hamdi, A (2000). *Kebijakan dan Strategi Penyelenggaraan Transmigrasi dan Kependudukan (Policy and Strategy in the Delivery of Transmigration and Population Programme)*. Jakarta
- Human Rights Watch (1997). *Communal Violence in West Kalimantan*. December 1997, New York
- IMBAS (1988). *Indonesien: Irrweg Transmigrasi – Umsiedlung und Regionalplanung am Beispiel Ost Kalimantan*. Frankfurt
- KPA (undated). *Land Disputes: Strawberries of Development*. Konsorsium Pembaharuan Agraria. Bandung
- Ministry of Transmigration Staff (1991) *Planning for Population mobility: the Indonesian transmigration program*. Jakarta
- Rich, B (1994). *Mortgaging the earth. The World Bank, environmental impoverishment, and the crisis of development*. Beacon Press, Boston.
- Rich, B (2000). 'Still Waiting. The Failure of Reform at the World Bank'. *The Ecologist*, Vol. 30, No. 6, September 2000
- SMTM (March 2000). *Kebijakan dan Strategi Kantor Menteri Negara Transmigrasi dan Kependudukan*. Jakarta
- SMTM (April 2000). Press Release in response to *Far Eastern Economic Review* questionnaire. State Ministry of Transmigration and Population
- Sunderlin, W.D. (1998). *Between Danger and Opportunity: Indonesia's forests in an Era of Economic Crisis and Political Change*. Programme on the Underlying Causes of Deforestation, Centre for International Forestry Research (CIFOR), Bogor
- Sunderlin, W.D. (1999). *The effects of economic crisis and political change on Indonesia's forestry sector*. Programme on the Underlying Causes of Deforestation, Centre for International Forestry Research (CIFOR), Bogor
- Suratman & Guinness, P. (1977) 'The changing focus of transmigration'. *Bulletin of Indonesian Economic Studies*
- Tapol (2000). *A reign of terror. Human rights violations in Aceh 1998-2000*. Tapol, March 2000, London
- UN OCHA (2000) *UN Consolidated Inter-Agency Appeal for the Maluku Crisis 2001*. UN Office for the Coordination of Humanitarian Affairs (OCHA). 20 December 2000
- WALHI/FoE Indonesia (1998). *Indonesia for sale. A case study of IMF policies prepared by WALHI /FoE Indonesia*. Jakarta
- World Bank (1986) *World Bank Transmigration Sector Review*. Washington D.C.
- World Bank (1994). *Indonesia Integrated Swamps Development Project: Staff Appraisal Report*.

World Bank (1999). *Country Assistance Strategy Progress Report 1999*. Washington D.C.

World Bank (2000). *Second Land Administration Project: Project Information Document*. Report No: PID 8915. Washington D.C.

## XII. Appendices

### Appendix I: Types of Transmigration

**General transmigration** (*transmigrasi umum*): government-sponsored transmigration. The government provides transportation to the settlement site, a house and farming plot, infrastructure and a living allowance intended to support the transmigrant family usually for the first 18 months.

**Spontaneous transmigration**: divided further into two types ie. assisted spontaneous transmigration (*transmigrasi swakarsa berbantuan*) and self-supporting spontaneous transmigration (*transmigrasi swakarsa mandiri*). Assisted spontaneous transmigration is supported by the government in co-operation with businesses or investors related to certain schemes; and the self-supporting spontaneous transmigration is carried out by the community concerned, individually or by a group of people. Although self-supporting spontaneous transmigrants are more independent than assisted transmigrants, both types receive a plot that has been surveyed and titled by the government.

**Local transmigration** (*transmigrasi lokal*): the migration of people to resettlement areas within the same province or region. These settlements are for those displaced by “development” projects such as dams or the Central Kalimantan mega-project (PLG), for victims of natural disasters and for people removed from areas declared forest or nature reserves.

The transmigration programme has, at various times, also been divided into different schemes, namely:

- *Transbangdep* (village potential development): where the local authorities in destination regions request groups of transmigrants to support the development of the regions/villages;
- *PIR-Trans* (Nucleus Estate Smallholders transmigration scheme): groups of transmigrants are resettled and work on NES (cash-crop plantation) projects;
- *Kehutanan/HTI* (Forestry/Industrial Forestry Estate): similar to PIR-trans but the transmigrants are engaged in forestry/timber plantation projects;
- *Ternak* (livestock); *Nelayan/Tambak* (Fishery); *Jasa/Industri* (Public service and industry): each refers to the main field of work in the destination transmigration regions or sites.

### Appendix 2

**Table AI: Resettlement figures in the period 1994-2000 (family/yr)**

	1994/1995		1995/1996		1996/1997		1999/2000 * (per Nov 1999)	
	Target	Realisation	Target	Realisation	Target	Realisation	Target	Realisation
General transmigration (fully sponsored) <i>Transmigrasi Umum</i>	24,274	23,681 (97.55%)	26,955	26,375 (97.84%)	39,298	37,722 (95.90%)	7,586	2,280 (30.06%)
Assisted – spontaneous transmigration <i>Transmigrasi Swakarsa Berbantuan</i>	25,726	25,719 (99.97%)	23,045	22,947 (99.57%)	18,202	18,527 (101.78%)	2,064	453 (21.95%)
Self-supporting spontaneous transmigration <i>Transmigrasi Swakarsa Mandiri</i>	15,000	15,000 (100%)	27,000	27,000 (100%)	35,000	34,513 (98.60%)	6,585	1,676 (25.45%)
<b>Total</b>	<b>65,000</b>	<b>64,400 (99.07%)</b>	<b>77,000</b>	<b>76,322 (99.12%)</b>	<b>92,500</b>	<b>90,762 (98.12%)</b>	<b>16,235</b>	<b>4,409 (27.26%)</b>

\*The official report available at time of writing

Note: No resettlement figures were available from SMTP for 1997/98 (in publication) and 1998/99. However, other sources report that in 1997/98 a total of 27,000 families had been resettled in Indonesia. It can be assumed that this figure dropped again in the following year and that not more than 15,000 – 20,000 families were resettled due to financial constraints. This means that in REPELITA VI less than 300,000 families were resettled and maybe a third of them were spontaneous transmigrants.

**Table A2: Resettlement by type and scheme**

	1994/1995		1995/1996		1996/1997		1999/2000 (per Nov 1999)	
	Target	Realisation	Target	Realisation	Target	Realisation	Target	Realisation
<i>Pola TU</i> (General)	24,274	23,681 (97.55%)	26,955	26,375 (97.84%)	39,298	37,722 (95.90%)	7,586	2,280 (30.06%)
<i>Transabangdep</i> (Village's potential development)	3,276	3,139 (95.81%)	4,518	4,468 (98.89%)	2,945	2,874 (97.58%)	0	0
<i>PIR-trans</i> (Nucleus Estate Smallholder scheme)	16,340	16,305 (99.78%)	16,672	16,652 (99.88%)	13,990	13,716 (98.04%)	1,469	340 (23.14%)
<i>Ternak</i> (livestock)	719	719 (100%)	400	400 (100%)	100	100 (100%)	210	45 (21.43%)
<i>Kehutanan/HTI</i> (Forestry/Industrial Forestry Estate)	5,391	5,500 (102.02%)	1,209	562 (46.48%)	749	1,418 (189.31%)	0	0
<i>Jasa/Industri</i> (Public service and industry)	50	36 (72%)	186	158 (84.94%)	31	31 (100%)	0	0
<i>Nelayan/Tambak</i> (Fishery)	0	0	60	60 (100%)	387	388 (100.25%)	385	68 (17.66%)
<i>Transmigrasi Swakarsa Mandiri</i> (Spontaneous)	15,000	15,000 (100%)	27,000	27,000 (100%)	35,000	34,513 (98.60%)	6,585	1,676 (25.45%)
<i>TSM non-programme</i>	-	-	-	-	-	5,811	-	-
<b>Total</b>	65,050	64,380 (98.97%)	77,000	75,675 (98.27%)	92,500	90,762 (+5,811) (98%/104%)	16,235	4,409 (27.16%)

**Appendix 3: Number of Refugees according to their origin and place of shelter**

Distribution of Refugees	Origin of Refugees					
	D.I. Aceh	West Kalimantan	Ambon	Ternate	East Timor	Total
D.I. Aceh	86	0	0	0	0	86
North Sumatra	4,979	0	0	0	0	4,979
West Sumatra	99	0	0	0	0	99
Riau	638	0	0	0	0	638
Jambi	298	0	0	0	0	298
Bengkulu	16	0	0	0	0	16
South Sumatra	328	0	0	0	0	328
Lampung	102	0	0	0	0	102
West Kalimantan	0	5,962	0	0	0	5,962
Central Kalimantan	0	0	0	0	0	0
North Sulawesi	0	0	0	2,761	76	2,837
South Sulawesi	0	0	0	0	821	821
Southeast Sulawesi	0	0	0	0	63	63
West Nusa Tenggara	0	119	109	0	25	253
East Nusa Tenggara	0	0	24	0	38,406	38,430
Maluku	0	0	0	11,950	0	11,950
West Java	768	28	25	0	47	868
Central Java	845	37	16	0	95	993
D.I. Yogyakarta	30	6	0	0	5	41
East Java	268	4,983	37	0	25	5,313
Bali	0	0	0	0	704	704
<b>Total</b>	<b>8,457</b>	<b>11,135</b>	<b>211</b>	<b>14,711</b>	<b>40,267</b>	<b>74,781</b>

Source: SMTP (2000)

#### Appendix 4: Number of Transmigrant Refugees according to their origin and place of shelter

Distribution of Refugees	Refugees of Transmigration Site Origin				
	D.I. Aceh	West Kalimantan	East Timor	Maluku	Total
D.I. Aceh	86	0	0	0	86
North Sumatra	101	0	0	0	101
West Sumatra	99	0	0	0	99
Riau	638	0	0	0	638
Jambi	298	0	0	0	298
Bengkulu	16	0	0	0	16
South Sumatra	328	0	0	0	328
Lampung	102	0	0	0	102
West Kalimantan	0	0	0	0	0
Central Kalimantan	0	0	0	0	0
North Sulawesi	0	0	0	0	0
South Sulawesi	0	0	0	0	0
Southeast Sulawesi	0	0	0	0	0
West Nusa Tenggara	0	119	0	109	228
East Nusa Tenggara	0	0	0	24	24
Maluku	0	0	0	0	0
West Java	768	28	0	25	821
Central Java	848	37	95	16	996
D.I. Yogyakarta	30	6	5	0	41
East Java	268	0	25	37	330
Bali	0	0	704	0	704
<b>Total</b>	<b>3,582</b>	<b>190</b>	<b>829</b>	<b>211</b>	<b>4,812</b>

Source: SMTP (January, 2000)