



Way Abung Transmigration Project

BINTORO TJOKROAMIDJOJO



**EAST-WEST CENTER
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WAY ABUNG TRANSMIGRATION PROJECT

by

BINTORO TJOKROAMIDJOJO

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ABSTRACT

Transmigration projects are a vital part of the Republic of Indonesia's efforts in regional development and nation-building. The planned resettlement of needy families from overpopulated sections of Java also helps to meet the demand for agricultural workers to develop the sparsely populated Outer Islands. The project at Way Abung in North Lampung Province, South Sumatra, is reviewed against the background of "colonization" projects carried out by the Netherlands Indies government from 1905 to 1941 and the "transmigration" program initiated by the Republican government following World War II. The study covers a period (1969-1974) when planning and implementation of Indonesian resettlement conformed with the Republic's First Five-Year Development Plan (REPELITA I) and fell within the responsibility of the Department (Ministry) of Manpower, Transmigration, and Cooperatives.

Way Abung was administered during this time as a sub-project of the Lampung Province Transmigration Project. The Directorate General for Transmigration recruited settlers in Java who then traveled by train and ship at the expense of the Government to South Sumatra. There the agency gave them land, housing materials, agricultural aids, and community facilities to get started. After five years, the colonists were transferred to the jurisdiction of the regular provincial administration. With program modifications suggested by the experience gained in five years at Way Abung, the project continued in operation after 1974.

The author analyzes the problems encountered at Way Abung and the attempts to solve them. These included relating the project to national development goals, coordinating the responsibilities of various agencies and government levels that were involved, appraising project components systematically by use of approved management techniques, and monitoring project progress for informative feedback and evaluation. During the period described, Way Abung was neither a successful venture nor a project that failed, but it is one from which much can be learned.

THE AUTHOR

Mr. Bintoro Tjokroamidjojo is the Deputy Chairman for Administration of BAPPENAS (National Development Planning Agency) since 1973 after serving as Secretary from 1967. He is also Lecturer at the Faculty of Economics of the University of Indonesia. He earned his B. A. degree at this same institution and his M. A. at the Graduate School for Public and International Affairs at the University of Pittsburgh. In 1967-1968 he was a member of the House of People's Representatives and the Provisional People's Consultative Assembly of the Republic of Indonesia. He was Secretary of the Economic Expert Team advising the President in 1966-1977. Since 1976 he has been a member of the United Nations Asian Centre for Development Administration. He has written many papers and articles on public administration and economic development in Indonesia for publication and for presentation as delegate from the Republic of Indonesia at various international conferences. He served as a Professional Associate at the East-West Center's Technology and Development Institute in September 1976.

THE SERIES EDITOR

Dr. Leonard Mason, Professor Emeritus in Anthropology at the University of Hawaii, was Senior Fellow at the East-West Technology and Development Institute in 1976-1977.

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SERIES PREFACE

The need for more effective project planning and management is emerging as a critical function in both public and private sectors in all countries. Vast resources are channeled into development projects, but the lack of viable policies coupled with poor management results in a waste of valuable resources--human, financial, and natural--in both highly industrialized and rural societies. Experience indicates that attempts to accelerate economic and social growth have often floundered due to serious problems with project planning and implementation. Experience further demonstrates that traditional (Western) project management training programs are too narrow and segmented, are not meeting needs, and often result in costly mistakes in the United States as well as in other countries. A review of educational and training programs of a number of universities in the United States and Asia as well as of international funding agencies demonstrates the fragmented nature of existing project management educational programs. There is pressing need to develop a new program which considers the entire project cycle as an integrated process.

Given this challenge, the Technology and Development Institute (TDI), with its unique East-West partnership relationships, has formulated plans for cooperative research to develop an innovative and comprehensive approach to project management education and training. The project focuses on serious (and costly) management difficulties in the United States and the nations of Asia and the Pacific in view of their common problems rooted in mutual concerns and resulting in similar consequences. The basic approach is to develop a new prototype curriculum for educating and training project managers to understand the entire project cycle as a basis for expediting the necessary decision-making to successfully implement development projects for any sector of the economy or society. It will also attempt to broaden the perspectives of international assistance policy-makers, national policy-makers, local planners, and project implementers in understanding the relationships between national goals and local project requirements. The curriculum will be founded on a balanced

combination of lectures, group discussions, seminars, management game exercises, and case study analyses, with sufficient flexibility to be adapted to the needs of training institutions in different national and cultural settings in Asia, the Pacific and the United States.

Basic to the curriculum is this series of case studies, covering agricultural, industrial, public works, and social sectors. These case studies were initiated early in the calendar year 1976. Participants from Korea, New Zealand, Philippines, Thailand, Taiwan, Malaysia, Indonesia, Iran, and the United States conducted the necessary field research as a basis for writing case study analyses of development projects in the context of an integrated project cycle. Each of the participants then came to the Institute to spend approximately one month to finalize the draft of his particular report. It is anticipated that between ten and fifteen case studies will be completed in this prototype series. The initial group includes such case studies as:

- (1) Korean National Family Planning Program,
- (2) Bangkok Metropolitan Immediate Water Improvement Program,
- (3) Laguna Rural Social Development Project (Philippines),
- (4) Pacific Islands Livestock Development, and
- (5) Community Development Project (Hawaii).

The case studies will be used extensively as a learning tool to provide relevance, practicability, and reality to both classroom discussions and the follow-up field practicum.

Case study research has been in widespread use throughout the world for many years in medical and law schools. This method of instruction has become increasingly popular in recent years in schools of business and public administration, followed more recently by schools of engineering. However, the Institute's case study approach is innovative in that it represents the first attempt to write a series of case studies based on a shared conceptualization of the project cycle as an integrated process. Carefully documented and readable case studies comprehending the entire project cycle will

prove to be extremely useful learning devices in both training and formal education programs. Each case study in this series has been developed in accordance with guidelines prepared by Dr. Dennis A. Rondinelli, (Director, Urban and Regional Planning Program, Maxwell School, Syracuse University) during his tenure as Senior Fellow at the East-West Center in 1975-76. Dr. Rondinelli's paper, "Preparing and Analyzing Case Studies in Development Project Management," is included in the series for this reason. It is necessary to note that all projects do not necessarily evolve through an identical sequence of stages in the project cycle. Rondinelli stressed this important point, and each author has been allowed flexibility in his overview of a project's history within the scope of the idealized project cycle.

This case study series is an appropriate example of the Institute's attempt to achieve the Center's goals of better relations and understanding on economic and social development problems of mutual concern to all countries, East and West, through cooperative research, study, and training activities. In this context, special thanks are conveyed to the authors of the case studies, and to their respective institutions for the splendid cooperation received. Particular acknowledgement is due to former Senior Fellow Dennis Rondinelli for his contribution in formulating the guidelines for the case writers. Acknowledgement is also due Senior Fellow Leonard Mason for his untiring efforts in final editing.

Louis J. Goodman
Acting Director,
East-West Technology
and Development
Institute

INTRODUCTION

Transmigration projects represent a most vital program within the context of Indonesia's national development effort. Transmigration, meaning the resettlement of needy villagers to the Outer Islands, has had its primary rationale in the reduction of Java's critically high population density. But another, equally important reason is the desired economic development of the Land Beyond, those sparsely settled Outer Islands which surround Java. The continuing program of assisted migration is one part of the total endeavor by the Republic of Indonesia to achieve Nation-Building.

Socioeconomic Rationale of Transmigration Projects

Two urgent national objectives throughout the past century have been the moderation of Indonesia's alarming rate of population growth and the lightening of the burden of population density especially in the islands of Java and Bali. The transmigration program, conceived within the framework of national development policies, has aimed at improving the people's welfare by (a) providing some relief from population pressures in Java and (b) promoting agricultural development of the thinly settled Outer Islands by the movement of migrant families from overcrowded rural Java. In recent years, as national policy under the Republican regime has changed, the planning of transmigration projects has come to be viewed less from the goal of easing pressure in heavily populated parts of Indonesia, and more in the hope of augmenting the labor force in less populated areas. Transmigration activities thereby have emerged as an integral feature of Indonesia's new regionally oriented development policies. The prior predominance of demographic concerns has shifted slightly to embrace a more directly economic approach. From a sociopolitical viewpoint, the transmigration program

facilitates and enhances those integrative trends sought after in the overriding task of Nation Building.¹

The extent of the overall problem is partially reflected in the fact that Indonesia's population in 1971 amounted to nearly 120,000,000. Of that number, 66 percent (more than 78,000,000 people) lived in Java and nearby Bali, which together make up only 7 percent of the nation's total land area. The density of population in Java alone was 565 persons per square kilometer. This may be compared with densities in other islands of the archipelago, such as, 377 in Bali, 38 in Sumatra, 37 in Sulawesi (Celebes), 9 in Kalimantan (Borneo), and 2 in Irian Jaya (West New Guinea).

The great mass of the Indonesian people continued to be dependent on agriculture for their principal livelihood. The situation in the rural areas of Java and Bali had deteriorated rapidly owing to the ever smaller amounts of arable land available to farming households threatened by acute population pressures. In the 1970's, the number of Indonesians was expected to increase at an annual rate of about 2.4 percent. With opportunities dwindling in agriculture and age-old village industries, unemployment in Java and Bali was widespread. On the other hand, it was clearly evident that in the Outer Islands, which were but sparsely populated, economic development was severely hampered by the insufficient labor force and lack of overhead capital for social needs.

Development of all regions in Indonesia is a priority consideration in national planning. Since 1960, regional plans based on surveys of development potential and identification of poles of growth have

¹Sri-Edi Swasono, "The Land Beyond, Transmigration and Development in Indonesia," (Unpublished paper for a seminar on transmigration; Jakarta: Faculty of Economics, University of Indonesia, 1969), p. 129.

received serious attention. For this reason, moves to transplant people either spontaneously or by formal government assistance are importantly linked to improvement programs and projects everywhere in Indonesia. The objectives stated above conceivably could be met whenever implementation proceeded from planning that was firmly rooted in a strong rationale.

In actuality, transmigration programs in Indonesia have served rather directly the main purpose of improving the living standards of peasants from Java and Bali. During the 1950's, and also in the previous colonial period, transmigration meant the transplanting of villagers from the crowded areas of central Indonesia to Sumatra and other islands in order to preserve their way of life and agricultural productivity. Spontaneous, or voluntary, migration was motivated by employment opportunities both in planned colonization and in contract labor recruitment for commercial plantations. There were no significant signs of integration between the migrants and the local peoples among whom they settled. As early as 1964, Keyfitz and Widjojo suggested an emphasis on "community planning" in the implementation of transmigration projects.² In any case, resettlement served a very significant function in regional development.

According to a study made in 1976 by a World Bank team,³ some difficulty was encountered in estimating the extent of improved social welfare among the transmigrants. Nevertheless, this research did indicate that the income of resettled persons had increased in comparison with their former earnings, although it was

² Nathan Keyfitz and Widjojo Nitisastro, Soal Penduduk dan Pembangunan Indonesia [Population Problems and Development in Indonesia], (Jakarta: P. T. Pembangunan, 1964), p. 132.

³ World Bank (Team Report), "Appraisal of a Transmigration and Rural Development Project," (Unpublished paper; Jakarta, April 8, 1976), p. 57.

still below the average per capita income for all Indonesians.

In general, Indonesian transmigrants may be classified into three principal groups reflecting the degree and nature of government assistance received.

(a) Transmigrants fully sponsored by the government as participants in a planned project (the government in this instance is responsible for all costs of transport to and settlement in the destination area).

(b) Transmigrants receiving only partial aid from the government (the latter provides land on which to live and grow crops, but the settlers bear the cost of travel from their place of origin).

(c) Transmigrants formerly employed on plantation estates (upon termination of labor contracts, they settle entirely at their own expense on land acquired in the vicinity of a transmigration project).

Support components made available to eligible transmigrants by the government may be specified in more detail, as follows:⁴

(a) the cost of transportation,

(b) allotment of a plot of land, amounting to 1.0 hectare during the colonial period, 1.5 hectares in the 1950's and after, and 2.0 hectares beginning about 1969; some of this land was intended for residential use and dry field cultivation but the larger part, in a ratio of three to one, was for growing wet rice or cash crops,

(c) simple agricultural tools and implements, and

(d) the cost of building materials, and living expenses until all or some of the crops were harvested; variations of this provision existed, including the bawon system to be described in Chapter I.

The willingness of people to migrate presented no great problem. The number of applications exceeded the openings to be filled, by a ratio of ten to one. The

⁴ Among others, Keyfitz and Widjojo, op. cit., p. 129.

primary motivations underlying their readiness to move included poverty, exploitation by landowners, and debt evasion. Their goal was usually expressed as the desire for economic security and ownership of their own land.

Generally, local people in the Outer Islands were willing to accept the new arrivals from Java and Bali because of certain direct as well as indirect benefits received, such as increased funds for local public works and services. However, some lands were alienated by the government from communal holdings of the local populations. These lands were allotted to the transmigrants with initial rights of use, and could be converted after five years into proprietary rights. In actuality, the transfer of land under these titles to the settlers was not always smoothly achieved.

The WAY ABUNG Transmigration Project as a Case Study

The purpose of this case study is to focus attention upon a particular set of experiences in the management of a transmigration development project. The hope is to provide new knowledge and insight for better understanding of the accomplishments gained and the difficulties encountered, and also to identify areas for further improvement in the field of project management. Analysis of a transmigration project has the added advantage of being representative of Indonesian social, political, and economic conditions.

The transmigration project at Way Abung, carried out between 1969 and 1974, is quite appropriate for this kind of examination because its implementation followed a complete cycle beginning with project preparation and proceeding to migrant recruitment, resettlement, coordination of project activities during the relocation period, and the final transfer of project responsibilities to normal administration. In 1975, surveys were conducted to evaluate the results of the undertaking in order to improve future policy measures in the planning and implementation of similar activities.

Migration to Way Abung actually started back in 1965, but in 1969 a new project was launched to move a new

group of settlers to that location. The next five years demonstrated clearly that management not only involves planning techniques, economic appraisals, and feasibility analyses, but also has to be concerned with the over-riding problems of institutional relationships and their coordination, institution building, and decision making. Non-economic issues, especially in the social sector, must be taken into account at every stage of planning and implementing a project such as the one sited at Way Abung. In developing countries like Indonesia, with the society undergoing transition, the movement of people from one region to another and the consequent alterations in specific life patterns require the special attention of those engaged in public policy implementation and project management.

To those who may compare the experiences reported from Way Abung in 1969-1974 with those from other development undertakings in Indonesia and elsewhere, it should be mentioned here that the Way Abung Transmigration Project is an example of neither a successful venture nor a project that failed, but one from which much can be learned.

While writing this case study as a participant in the workshop on Curriculum Development for Project Management convened in 1976 by the East-West Technology and Development Institute at the East-West Center, the author was greatly aided by guidelines suggested in a paper by Professor Dennis Rondinelli.⁵ Further cooperation and help for which the author is also extremely grateful were given by Mr. Much. Iljas, Maman Setiawan, Soeparto Mochter, Soemarsono, and Wilfried Pasaribu.

⁵Dennis A. Rondinelli, "Preparing and Analyzing Case Studies in Development Project Management," (Honolulu: East-West Center, Technology and Development Institute, 1976).

CHAPTER I

COLONIZATION AND TRANSMIGRATION

As far back as the early nineteenth century, the conceptualization phase of the transmigration process in Indonesia had begun. Sir Thomas Stamford Raffles, then Lieutenant Governor during the British interregnum in Java from 1811 to 1816, and Du Bus de Gisignies, Governor General of the Netherlands Indies from 1826 to 1830, both foresaw the possibility of Java becoming dangerously overcrowded. They suggested as a relief measure the feasibility of colonizing selected areas of the Outer Islands with Indonesian migrants from Java.¹ Throughout the colonial period, such planned movements of people were usually referred to as colonization. Following the Japanese occupation and the war of independence in the 1940's, interisland migration was resumed in 1950 under the name of transmigration.

Experiments with Colonization, 1905-1931

The period from 1905 to 1931 may be characterized generally as one of trial and error or, in other words, of experimentation with resettlement. In spite of the British and Dutch concern expressed earlier, it was not until 1902 that any serious consideration was given to resolving the problem of Java's overpopulation by recourse to colonization programs. In that year,

1

Sri-Edi Swasono, "The Land Beyond, Transmigration and Development in Indonesia," (Unpublished paper for a seminar on transmigration; Jakarta: Faculty of Economics, University of Indonesia, 1969), p. 10.

the government initiated studies preparatory to moving large numbers of people from Java to the Outer Islands. H. G. Heyting, a Dutch administrator in Sukabumi Regency in West Java, was assigned to look into the matter. In a few years he became the first government official to administer the colonization of Javanese in Sumatra. In that role, he was responsible to the Indies Government's Department of Internal Administration. Gedong Tataan in South Lampung, South Sumatra, was the first location selected for colonization.² Justification for choosing this site is evident when one considers its nearness to the capital city of Lampung, at the very southernmost tip of Sumatra and thus the point closest to Java.

In November 1905, Heyting finally settled the first group of colonists in Gedong Tataan. In that action, the desa (village) of Bagelen was founded by 155 families from densely overpopulated Kedu Regency in Central Java. By the end of 1921, when the government launched another colonization scheme in Lampung which later became known as Wonosobo, the number of settlers in the many villages of Gedong Tataan colony had increased to 19,251 persons.³

As mentioned earlier, the concept of planned colonization had indisputable validity in its goal of ameliorating certain socioeconomic conditions. The problem that arose was rather one of feasibility in operational terms. Land for resettlement purposes had first to be cleared and reclaimed, and the complex systems of irrigation channels called for unusual skills in engineering design and construction. Finally, large

²Amral Sjamsu, Dari Kolonisasi ke Transmigrasi 1905-1955 [From Colonization to Transmigration], (Djakarta: Djambatan, 1960), pp. 4-5.

³For a detailed account of colonization activities in 1905-1931, see Karl J. Pelzer, Pioneer Settlement in the Asiatic Tropics, (New York: Institute of Pacific Relations, 1945), pp. 191-199.

numbers of settlers had to be cared for while being transported from densely populated areas in Central Java to the locations prepared for them in Sumatra.

During the period from 1905 to 1931, organized colonization efforts faced heavy competition from the plantation estates' recruitment of labor in Java, mainly for North Sumatra. The colonial government in carrying out its mission of transplantation had to bear a substantial financial burden. By comparison, the cost of contract labor for the estates was already incorporated within the cost structure of the commercial enterprises and usually comprised only a small percentage of the total operational expense.

The government also encountered other difficulties in carrying out its program, a few of which are mentioned here. Inadequate preparatory surveys frequently resulted in the selection of land for cultivation that was poor in soil qualities. The actual clearing of land, usually left to the settlers themselves, proved to be inefficient and uneconomical, for Javanese peasants had long ago lost their capability to clear forested regions, as was practiced by Sumatrans in the ladang (dry field) type of swidden farming. Many generations had passed since the jungles of Java had been transformed into irrigated rice fields in which the contemporary Javanese were accustomed to work. Furthermore, epidemics in the resettled areas were prevalent, especially of malaria, and this weakened the productive capacity of colonists through chronic ill health.⁴

⁴Widjojo Nitisastro, Population Trends in Indonesia, (Ithaca: Cornell University Press, 1970), pp. 89-90.

Expansion and Stabilization of the Colonization Program,
1932-1941

The second period in the implementation of transplantation programs in Indonesia started in 1932 and ended in 1941 after which the Japanese occupied the Indies during the Second World War. In 1932, the government's colonization effort was revised considerably, mainly under the active direction of a Dutch national named Junius, administrator of the Lampung region, and his assistant, J. Van der Zwaal.

During this period, the government continued as before to bear the costs of recruiting and transporting the colonists and of providing them with land for residence and cultivation. However, a radically new system was introduced which had the effect of shifting the government's responsibility for much of the initial settlement cost to the shoulders of older established settlers. This system was named bawon in reference to a Javanese custom whereby helpers in a family's rice harvest were given a share of the crop in return for their work. As the bawon institution was applied in the Lampung colonies, the living expenses of new migrants were actually met by the older settlers. The sponsored movement of people from Java was timed to coincide with the harvest of croplands already under cultivation in Sumatra. Newcomers were then able to earn enough by way of bawon to carry them through the preparatory period until their own first rice crop was ready to cut. After that, the novices were considered capable of depending on their own resources without further government assistance.

Other distinguishing features of this second period included the opening up of new settlement areas, more careful and comprehensive surveys for deciding on suitable locations, more discriminating recruitment of migrants, and general improvement of all planning and other preparatory steps for launching new colonies. Much of this change resulted from the formation in 1937 of the Central

Commission for Migration and Colonization of Indonesians⁵ by Governor General S. Stachouwer who had been appointed the previous year. This Commission was directed to centralize supervision of all agricultural colonization involving Indonesian people. The first secretary and administrator of the new agency was C. C. J. Maassen, Adviser on Agrarian Affairs in the Department of the Interior, who was already well experienced in administering colonization projects.

Among the improvements brought about by the Commission's actions, as indicated above, was the setting up of better criteria for choosing prospective colonists. This certainly was a most important consideration for assuring the successful implementation of future colonization projects. A set of rules to guide officials responsible for recruiting migrants from Java included, among others, the following:⁶

- (a) good farmers (for obvious reasons),
- (b) strong and healthy people (able to withstand hardship),
- (c) young people (reduce future population rise in Java),
- (d) family groups (for social control in new setting),
- (e) not families with many youngsters (hard on working parents),
- (f) not pregnant women (little help to their husbands),
- (g) not former estate workers (tend to be malcontents),
- (h) not bachelors (likely lovers of other men's wives),

⁵ Nathan Keyfitz and Widjojo Nitisastro, Soal Penduduk dan Pembangunan Indonesia [Population Problems and Development in Indonesia], (Djakarta: P. T. Pembangunan, 1964), p. 122.

⁶ Ibid., pp. 122-123.

- (i) encourage a whole village to move (then, disregard all others rules for selection),

In addition to the constant pressure of socioeconomic conditions in Java, the Ethical Policy⁷ pursued by the Netherlands Indies government lent support to the concept and reality of organized colonization as a means of improving the welfare of the common people in rural areas. The principal problems encountered during this prewar period were the lack of efficient irrigation facilities in the colonies, the marketing of products resulting from the settlers' labor, and the social isolation experienced by migrants within the host region. Especially in the 1930's, the economic depression caused much suffering among Indonesians still living in Java. To publicize the benefits to be gained from participation in the colonization program, the government published and distributed leaflets and produced and exhibited films describing what had already been accomplished. By the end of 1941, a total of 173,959 colonists from Java had been resettled in Lampung.⁸

After the 1940's, planned colonization activity experienced not only a sharp cutback but in fact almost completely stopped. The Second World War, the Japanese occupation, and the Indonesian struggle for independence against the Dutch made further resettlement on an organized basis impossible until the late 1940's.

⁷This was a policy trend among Dutch politicians which prevailed after 1900, recommending provision of better education and social services to the Indonesian people in acknowledgement of the riches exploited by Dutch interests in the Indies almost continuously since the late eighteenth century.

⁸Sjamsu, *op. cit.*, p. 9.

Government-Sponsored Transmigration, 1950-1974

In the short period from 1947 to 1950, when Indonesia was in the midst of maintaining its political independence, the Republican government gave considerable attention to the resumption of organized resettlement of people from Java to the Outer Islands. Such movement of Indonesians was now called transmigration, instead of colonization as it had been under the Netherlands colonial administration. Responsibility for planning and developing specific programs passed from one Ministry to another for a time and, therefore, did not have a very good chance for achieving implementation. In 1947, the Economic Brain Trust under the chairmanship of then Vice President Mohammad Hatta studied various possibilities for organizing and carrying out new programs of transmigration. In 1948, the charge was handed on to the Ministry of Labor and Social Affairs.

Not until 1950, when Indonesia had regained its sovereignty and the country's situation was considered to be relatively stable, did transmigration planning finally become operative. A special office was created, known as the Transmigration Service. At first it was placed within the Ministry of Community Development, but later it was transferred to the Ministry of Social Affairs. The first director of the Transmigration Service was Suratno Sastroamidjojo. Branch offices were opened in both Java and Sumatra. In 1951, Ir. A. H. O. Tambunan was appointed to head the Service.⁹ These two officials must be regarded as pioneers in recognition of their achievements in reviving organized resettlement of Indonesians during the early years of the Republic.

The number of families resettled under government-sponsored arrangements from 1952 to 1973 was estimated to be approximately 100,000. Transmigration activities in Indonesia from 1950 to 1974 may be usefully classified into four different phases according to the operational emphasis in each.

⁹Ibid., pp. 78-79.

Phase One, 1950-1955. During this time, organized transmigration efforts were truly revived. Planning was undertaken, new policies were formulated, organizational requirements were defined, and surveys of various aspects of transmigration were initiated.

In 1951, a special advisory committee was formed to assist in the implementation of transmigration projects. Its membership, representing various Ministries as it did, was intended to be a forum for achieving better coordination of the many activities relating to transmigration in which different government agencies had become involved. Djanuismadi, a senior official in the Ministry of Home Affairs, chaired this committee. Tambunan, head of the Transmigration Service, served as secretary.

Another agency created in this period was JAPETA, a public corporation responsible for land clearance. Land surveys were conducted by the Land Survey and Land Use office. Land allotted to transmigrants was increased to 2.0 hectares.

Planning of transmigration programs was done mainly by the Transmigration Service, the results of which came to be referred to as the Tambunan Plan, named after the Service's Director. Close coordination was maintained between that office and the National Planning Bureau. At this time, the Bureau was engaged in formulating a Five-Year Development Plan (1956-1960), which was concerned largely with priorities for expenditures in the public sector to stimulate the country's economic development.

In one year (1952) during this first phase, 3,855 families or a total of 17,605 persons were resettled from Java to the Outer Islands by the Transmigration Service.

Phase Two, 1956-1965. During these years, management of Indonesia's internal migration program continued to be the responsibility of the Transmigration Service. Tambunan, its Director, was succeeded in turn by Messrs. R. M. Notowidjojo, R. Surjodibroto, and Mayor Suwanto. Other government and semi-government agencies, such as the Bureau for National Reconstruction (BRN) and the Corps of National Reserve (CTN), were given

assignments to organize the resettlement of persons such as those who had served in the Indonesian army.

Political changes which tended to divert attention from directing the national economy, and also the security disturbances occurring throughout Indonesia, contributed to the government's inability to deal satisfactorily with the task of large-scale transmigration. However, it was already evident that the main problem in managing the resettlement programs was the inefficiency and ineffectiveness of working relations among the several departments charged with supporting implementation of those programs.

Professor Widjojo Nitisaastro, noted Indonesian economist, wrote about this weakness of the transmigration program at this time:

. . . the main problem seemed to be the organization rather than the financing of the program. Resettlement is a many-sided venture. While the government assumed a central role in every aspect of resettlement, there was for years no definite delineation of responsibilities of the different government agencies with regard to the scheme. The Department of Transmigration set up in 1950 never had sole responsibility for the entire undertaking--in the sense that a "regional development authority" might have had. Furthermore, its coordination with other agencies such as those responsible for the building of roads and irrigation works was far from satisfactory. This organizational deficiency resulted in bottlenecks and wasteful duplications.

He went on to point out the serious consequences of this situation, among which were:

. . . shortage of irrigation works and transportation facilities. Since

most of the settlements were designed on the basis of wet cultivation, proper irrigation played a decisive role. Transportation facilities were insufficient not only between Java and the other islands, but also locally between new and older settlements and between the newly settled areas and the more populous areas of the same region. There were instances where settlements had to be abandoned because deficiencies in initial soil surveys led to an erroneous choice of the areas. In other cases, settlers moved to other areas because inadequate water supplies resulted in meager crops. On the other hand, there were settlements with abundant food crops that the settlers were not able to sell because of the lack of proper marketing facilities.¹⁰

The validity of these statements is supported by all the facts. They set forth the extent of deficiencies that demanded improvement if the management of the transmigration program was to be more effective in the years ahead.

Phase Three, 1966-1968. During this period, a new style of self-help transmigration (Transmigrasi Swakarya Gaya Baru) was encouraged. Such migrants were also referred to as "spontaneous," meaning those who paid their own passage to the settlement area and thereafter received the same government aid as regular migrants until they became settled.

Under the new system, each family was accorded the following rights and facilities:

(a) 2.0 hectares of land, part of which (0.25 ha.) was cleared and available for residential use,

¹⁰ Nitisastro, op. cit., pp. 129-130.

- (b) six kilograms of nails for building a house,
- (c) the necessities of life to the extent of 40.5 kilograms of rice per family head each month for six months, and
- (d) use of general facilities, such as office (and housing for those in charge), polyclinic, storehouse, and elementary school.

Spontaneous transmigrants were placed in locations near settlements of regular colonists. Since they had to build their own houses, they were accommodated in the dwellings of established settlers, or in transient dormitories provided for the purpose, until their own houses were completed.

New areas in the Outer Islands were opened up for cultivation by transmigrants. Among others, this included the Way Abung area in Lampung, South Sumatra. The task of overseeing the resettlement program was charged to the Directorate General for Transmigration in the Department (Ministry) of Transmigration and Cooperatives. The Director General at this time was Brigadier General Soebiantoro.

Phase Four, 1969-1974. The year 1969 saw the beginning of REPELITA I, the First Five-Year Development Plan (Rencana Pembangunan Lima Tahun) launched under the new regime headed by President Suharto. REPELITA I was designed to raise the living standards of Indonesians by increasing the production of food and other consumer goods and by improving the conditions of health, sanitation, education, housing, labor, and public welfare in general. Part of this national development plan, and one of the primary elements in Indonesia's attempt to solve its population problem, was the program for resettling people from the densely populated regions to those land areas which possessed a high development potential but only a low man/land ratio. Hence, an economic motive was also strongly evident concerning the development of all of Indonesia as a nation.

During this period of planned development, responsibility for the task of resettlement remained in the office of the Directorate General for Transmigration,

still directed by Soebiantoro, now a Major General. This office was located in the Department of Manpower, Transmigration, and Cooperatives, an organizational arrangement designed to coordinate both population and manpower policies within a single Ministry. The Department was headed by Minister Subroto whose dedication assured much attention to the government program in transmigration. His analysis of the rationale for resettlement was stated in a study entitled "Strategy of Transmigration and Cooperatives within the Frame of the National Strategy."¹¹

¹¹Prof. Dr. Subroto, "Strategi Transmigrasi dan Koperasi dalam rangka Strategi Nasional" [Strategy of Transmigration and Cooperatives within the Frame of National Strategy], (Unpublished report; Jakarta, March 1972).

CHAPTER II

THE WAY ABUNG TRANSMIGRATION PROJECT

Resettlement in the Way Abung area actually started in 1965. In that year 1,200 families were transported from Java within the framework of the new-style spontaneous transmigration program noted in the preceding chapter. Those settlers have since become local citizens of the area and no longer fall within the jurisdiction of the Directorate General of Transmigration. A more concerted effort was launched in 1965 with new groups of settlers brought into Way Abung until 1974. This represents the period of the project described here.

The project area covers 20,350 hectares in North Lampung Regency of Lampung Province in South Sumatra. It is divided into three parts: Way Abung I, Way Abung II, and Way Abung III (A and B sections). Each consists of twenty-two units, or villages of 450 to 700 families. During the five years from 1969 to 1974, about 10,950 families were resettled in Way Abung. These originated primarily in the provinces of East Java, Central Java, and West Java and the special territory of Jogjakarta. Most of them were ethnically East Javanese. This number constituted about 80 percent of the total now living in Way Abung. Some transmigrants arrived after March 1974, the end of the project period.¹ Still remaining under the care of the Transmigration Service are 12,369 families, or approximately 60,000 individuals.

¹In 1969 the Indonesian government changed its fiscal year from the calendar year to the twelve-month period extending from April 1 to March 31.

As noted in Chapter I, spontaneous transmigrants such as those participating in the Way Abung project had to bear all travel costs from their point of origin, but they did receive government aid after arrival in the settlement area. This category was distinguished from that of general transmigrants, who were sponsored by the government and thus eligible for aid in all aspects of resettlement, including travel. There were still others who migrated on their own initiative to locations near the project area and who became local citizens outside the care of the Directorate General for Transmigration. Spontaneous transmigrants, as described previously, were allotted two hectares of land, one quarter of which was for residence purposes and the remainder divided between dry field and wet rice field or use for a second crop. Way Abung settlers, in government-approved practice, had a right after five years to attain proprietary title in this land.

The conditions surrounding the Way Abung project could be regarded as generally favorable. First, the location (as seen from the map in Figure 1) was close to the main transportation network linking Java to Lampung in South Sumatra. Second, the area consisted of agricultural land where water for irrigation could be obtained with relative ease from either rivers or groundwater sources. Note might be made, however, of some problems of land use, including the maintenance of soil fertility which in recent years had tended to decline. Third, experience showed that relationships between migrants and the local people were reasonably satisfactory.

There were, nonetheless, a number of problems which the settlers faced. Based on studies conducted later, it must be acknowledged that certain transmigration policies and program practices needed reformulation and improvement. One example may be cited here. Even though the project area was adjacent to the main highway system, the roads linking it with the many villages were badly in need of development or repair. The poor character of these roads unfavorably affected conditions for marketing the goods produced by the settlers. The prices offered for exported commodities, including cash crops such as cassava, were extremely low and assured

little or no profit to the settlers because of the high cost component for transportation. The principal crops grown in Way Abung were rice, corn, beans, vegetables, and cassava. The first two were primary staples for local consumption and only cassava was produced for export.

In this connection, it should be added that during the period 1969-1974 the project administration did not give sufficient attention to providing animal livestock, for either direct consumption, market production, or help in cultivating the land. Of necessity, therefore, field labor had to be carried out manually.

CHAPTER III

PROJECT FORMULATION AND NATIONAL DEVELOPMENT POLICY

This case study focuses on the planning and implementation of a resettlement project in Way Abung between the fiscal years 1969/70 and 1973/74. As explained earlier, resettlement in that area of South Sumatra had started several years before, in 1965, and migration activity has continued since 1974. However, after 1974, efforts were made to substantially improve the project's management. With assistance from the World Bank, it would be possible to conduct a basic evaluative survey and to obtain financial support for realization of recommended changes.

In this chapter, a brief review will be given concerning the conception of the Way Abung project idea and its identification in 1964 as a new venture in transmigration history.

The principal aims of transmigration (and of colonization earlier) from the beginning of this century in Indonesia have been reviewed and identified in Chapter I. The Way Abung project became a significant part of that effort as conceived within the context of objectives then prevailing in the Republic. More specifically, the goals of the Indonesian transmigration program were a direct reflection of development policies promulgated in the First Five-Year Development Plan (REPELITA I) inaugurated in fiscal year 1969/70. For this reason, identification and definition of the activities in Way Abung were planned to integrate the project with development projections at the national level. During the project's first year, that objective had not been entirely achieved although the intent of the administrators was apparent.

For the Way Abung project, then, the initial planning stage involved setting up specific objectives and targets. The rationale of Way Abung as a transmigration undertaking was identified and formulated. Answers

were sought to such questions as whether conditions of the region would be favorable for resettlement, how many hectares of land could be opened up, how many transmigrants could be settled in the area, and what time span would be suitable for the project's implementation.

The idea of establishing a resettlement project in Way Abung was first suggested in 1964, based on findings from research conducted by the Transmigration Service. A special investigation of soil conditions was carried out by the Office of Land Survey. Areal surveys were also made. Officials who were behind the proposal included Pagar Alam, Governor of Lampung Province, and A. J. Situmorang and Maat Judolaksono, administrators in the Lampung Regional Branch of the Transmigration Service. Later, the idea was reviewed by the Bureau of Planning. Others from the Service who were involved in the process of project formulation were Aksono Andono and Soentaro.

Some of the main reasons supporting the proposal for a transmigration project in Way Abung were:

- (a) land from local community holdings had been alienated by the government for such a purpose in 1962;
- (b) part of the area's 30,000 hectares had been surveyed; local people had only 10 percent of the land under cultivation at the time;
- (c) transportation links with the outside were relatively good; for example, Way Abung was only 24 kilometers from Kotabumi, the district capital, and 135 kilometers from Tanjung Karang, the provincial capital;
- (d) within the area certain kinds of timber were available that could be used as building material by transmigrants; and
- (e) water sources were fairly accessible, although a later survey did reveal that groundwater reserves were not sufficient for wet rice culture and that irrigation would be required.

The project idea gained further impetus from the new style of self-help transmigration (Transmigrasi

Swakarya Gaya Baru), which was explained in Chapter I. Newly arrived migrants, having paid for their own travel from Java, would receive a living allowance for six months and assistance in building their houses, in addition to the standard allotment of land for cultivation and residence. Officials of the Service, however, introduced a new self-help feature at this point, namely, that migrants would have to clear their lands themselves. One reason for this change was that JAPETA, the public authority previously holding that responsibility, had become inoperative. The first swakarya transmigrants were resettled from Java to Lampung (and also to Kalimantan) in 1965.

At this preliminary stage of project development, one of the main problems was the transportation of people from Java to their destination sites. Poor shipping facilities for some time necessitated the setting up of holding terminals in some port cities, such as Jakarta and Surabaya. The size of the standard land allotment during this period proved later to be too small; studies showed that 2.0 hectares of land were insufficient to realize the goal of increased income for transmigrants through farming. Still another problem arose when some of the land that had been cleared for settlers' use was reoccupied by local people who claimed prior rights in traditional use.

Identification of Project Components

Within the context of project formulation, certain components that represent activities and problems of transmigration need to be identified and their inter-relationships taken into account. Components that concerned the planners of transmigration projects in Indonesia and, more specifically, in Way Abung were:

- (a) recruitment of transmigrants in their places of origin;
- (b) preparation for their relocation and holding at port terminals;

(c) transportation from places of origin, through terminals, to destination areas;

(d) surveys of land in the resettlement area;

(e) clearing the land and preparation of plots for cultivation;

(f) construction of a land transportation system, including main road, village roads, field roads, and bridges;

(g) construction of private housing and public buildings;

(h) reception of transmigrants in the new settlements;

(i) construction of secondary and tertiary irrigation, including groundwater wells and river water conduits;

(j) guidance from extension service agents in subsistence agriculture and cultivation of marketable products;

(k) provision of farm equipment and irrigation pumps;

(l) provision of means of transport;

(m) construction and maintenance of social service facilities, including schools, polyclinics, and prayer houses;

(n) development of other income-producing activities besides farming;

(o) promotion of cooperatives related to marketing, transportation, and distribution of consumer goods;

(p) breeding of livestock, especially of cattle for help in cultivating the land, for consumption, and for the market;

(q) establishment of financial facilities, such as credit unions, especially within the framework of BIMAS (Bimbingan Masyarakat, meaning Mass Guidance in the implementation of agricultural development programs);

(r) legal processing of land rights: government alienation of community lands under customary law; granting of rights of use/cultivation, and later of proprietary rights, to transmigrants; and

(s) regional administration and maintenance of security.¹

Many of these components and their interrelationships were not given sufficient consideration in formulating the Way Abung project. Some attention was paid to sustaining a dialogue among the agencies involved, but the most serious problem continued to be the lack of an integrated approach toward linking the various interests represented. The success of this type of project depended very much upon the consistency of effort and the effectiveness of cooperation to be achieved.

The rationale for the Way Abung project, as it began in 1969, was basically a continuation of what had been formulated earlier. There was one important difference, however, in that the prior requirement for settlers to clear their own land in the swakarya (self-help) system was abandoned. The responsibility for all land clearance was assumed by the Directorate General for Transmigration.

¹Adapted from, among others, N. D. Abdul Hameed, "Transmigration Economy of Way Abung," (Unpublished paper; Jakarta, World Bank, February 15, 1975).

CHAPTER IV

FROM PROJECT DESIGN TO APPROVAL

In the planning stage, identification and formulation of any project is properly followed by development of design specifications which are then appraised together with an assessment of budgetary needs. The proposed plan, processed through whatever formal procedures may be in force, is finally subjected to review for approval, the prerequisite for implementation.

The Way Abung transmigration project for fiscal year 1969/70, and for the following four years, was designed to agree with the scheme of the general transmigration program as stipulated in REPELITA I, Indonesia's First Five-Year Development Plan instituted in that year. Transmigration policy as outlined in the national plan reflected the government's effort to achieve a more even distribution of population throughout Indonesia. It was also viewed as a direct response to the critical need for manpower in regional development among the islands beyond Java. REPELITA I required that in programming transmigration activities the government should undertake appropriate research studies both in the projected resettlement areas and in the migrants' places of origin.

The project design for Way Abung, as required for all government development projects, was presented in two special formats for official review. One was called Daftar Usulan Proyek (DUP), or Project Proposal Plan. The other was known as Daftar Isian Proyek (DIP), or Project Content Plan. Both forms were used in the annual planning and budgeting process in Indonesia to aid the coordination of project programming and budgeting control.

The DUP, as the Project Proposal Plan was commonly called, was essentially a description of the project and a statement of justification and feasibility. The DIP, or Project Content Plan, specifically identified all of the relevant activities designed to achieve the targets or product goals in each fiscal year. Actually,

the DIP not only cited the product goals to be accomplish in a given year; it also outlined the project objective within a longer time perspective, and each activity was allocated a place within a detailed time plan. In addition, the DIP listed specific expenditures needed to implement the project and provided an accompanying schedule of disbursements.

The completed project forms were evaluated and appraised. When approved, they became guides that were binding on administrators in regard to implementation details and cost expenditures.

A Project Within a Project

Very unfortunate was the fact that the Way Abung project during 1969-1974 was only one part of the larger Lampung (Province) Transmigration Project. This constituted a very critical weakness, because no separate project design existed to support management control of the Way Abung "sub-project."

In general, the Project Content Form (DIP) was prepared within whatever Department was concerned and was submitted by the Director General who was responsible. In the case of the Lampung Province project, the DIP was drawn up and presented by the Director General for Transmigration in the Department of Manpower, Transmigration, and Cooperatives. The project form was then analyzed in joint consultation by BAPPENAS (the National Development Planning Agency) and the Directorate General of Budgeting in the Department of Finance. Based on a decree by the President,¹ approval was required from both

¹The Presidential Decision on the Implementation of the Budget of Revenues and Expenditures is promulgated following the enactment of the annual Budget Law. The following are Presidential Decisions to implement the Budget Laws:

BAPPENAS and the Department of Finance before the necessary authority could be issued to the Department charged with implementing the project or any part of it. This standard procedure was established in order to insure consistency of project evaluation within the scope of the overall national development plan.

The Project Proposal Form (DUP) and the Project Content Form (DIP) for the Lampung Transmigration Project were both composed by Soentoro and Aksan Andono, officials in the Directorate General for Transmigration. The two documents were subsequently analyzed by Ngadimun, an officer in the National Development Planning Agency, and by Soemarno in the Directorate General for Budgeting. After further consideration and agreement by their respective superiors, namely, Sujoto of BAPPENAS and Almatsier of the Budgeting office, the DIP as the activating plan² was presented for final approval by the two organizations. Authorization was issued for each year of the Lampung Province undertaking (including

<u>Fiscal Years</u>	<u>Annual Budget Law</u>	<u>Presidential Decision</u>
1969/70	No. 2	No. 33
1970/71	No. 5	No. 25
1971/72	No. 5	No. 14
1972/73	No. 1	No. 48
1973/74	No. 3	No. 11
1974/75	No. 2	No. 17
1975/76	No. 1	No. 7
1976/77	No. 1	No. 14

It should be added that provisions in the Presidential Decisions on the Implementation of the Budget of Revenues and Expenditures have been improved year by year.

²The completion of the DUP form can be regarded as an exercise in project planning. Only the DIP document needs approval from superiors of BAPPENAS and the Budgeting Office. Approval of the DIP implies approval of the implementation of the concerned project plan.

the Way Abung sub-project, for the five years of REPELITA I) after the DIP for that year had been approved.³ The Lampung Transmigration Project started in 1969/70 and was planned for completion in 1973/74.

The main features of the 1969/70 Project Content Form (DIP) for the Lampung project may be summarized as follows:

- (a) opening and preparing areas for settlement,
- (b) preparation of basic housing facilities,
- (c) resettlement of transmigrants,
- (d) building or rehabilitation of irrigation facilities,
- (e) provision of seeds, pesticides, and fertilizers, and
- (f) administration of land titles,

Besides these programmed activities, consideration was also given to provision of agricultural implements and to establishment of social facilities in health and primary education for a designated period. Targets were estimated for all project components. The budget allocation for the entire Lampung project for 1970/71 amounted to Rp 17 million.⁴ The project manager was also head of the Transmigration Provincial Office located at Tanjung Karang; he was assisted by the project's treasurer.

³The fiscal year started on April 1st, but it should be mentioned that approval of the DIP was usually late.

⁴Indonesia in 1969 had a flexible exchange system in which the floating value of the rupiah was determined eventually by market demand and supply. In early 1969, the rates of offer and demand revolved around Rp 326 and Rp 333 per US\$1.00. The present rate of exchange revolves around Rp 415 and Rp 420 per US\$1.00.

It should be noted that activity components for the Way Abung sub-project were not readily discernible in the DIP for the Lampung Transmigration Project. It was not until 1975/76 that Way Abung was designated as a separate operation with its own DIP plan. The District Officer of the Way Abung sub-project received funding and facilities in accordance with what had been requested and approved for Way Abung within the DIP for the Lampung project. These allocations were decided on by the Lampung Project Manager as head of the Transmigration Office for Lampung Province. Transmigrants to be settled at Way Abung in 1969/70 numbered 1,802 families or 7,834 persons, and for the whole five-year development period totaled 10,950 families or 49,247 persons.

Other Planning Considerations

It should be noted that in the course of time continual improvement was sought in the forms as well as the procedures utilized in programming and budgeting, with the DIP constituting always the core of the entire process. Such modifications at the national level inevitably had a favorable effect on planning for the transmigration project in Lampung Province.

In preparing the Lampung project plan for 1969/70, sophisticated techniques like cost-benefit analysis were not employed.⁵ This did not mean that benefits viewed from the aspect of national development, such as the improved welfare of transmigrants, were not taken into account nor that the calculation of standard costs of transportation and placement of the settlers was overlooked. Consideration was given to critical factors like consistency and scale of priority. Recommendations from studies conducted earlier were carefully assessed and incorporated in the resettlement scheme.

⁵ However, planning techniques based on cost-benefit analysis together with shadow pricing were applied in evaluating the Way Abung Transmigration Project of 1969-1974, and also in planning its revision and expansion from 1976/77 onward. A process of planning and replanning was in fact adopted.

It should be evident from what has been written in previous chapters that project appraisal from an economic viewpoint was influenced by the pressures of population in certain parts of Java and Bali, by the national concern for regional development, and by the possibilities for establishing new markets. On the technical side, assessment took into account land conditions, agricultural potential, water resources, and timber reserves for construction use. In regard to the social aspect of transmigration, the relations between settlers and local people and the opportunities for social ability had to be evaluated. And on financial matters, there was always the obligation to examine the adequacy of funding within the constraints of a limited budget.

An important aspect of the planning stage was the effort made to insure that needed sources of financing would come primarily from the project budget. During appraisal of the DIP, this matter was duly considered. For purposes of devising the project design, criteria commonly applied to estimate expenditures were employed: for example, unit costs for certain types of housing and unit costs for transporting migrants to the settlement areas. The utilization of proper planning and assessment techniques will continue to be essential to the programming and budgeting process in Indonesia owing to the constraints of limited resources in this country.

CHAPTER V

ORGANIZATION AND STAFFING

Events described in Chapter IV flowed easily into the organizational activity about to be described here. There was no clear distinction between these stages in the actual exercise of project planning and management in Indonesia. The primary concern at this point was to set up an institutional and procedural infrastructure for resource mobilization and utilization.

The preparation and approval of the Project Content Form (DIP) and the instructions on procedures to be followed in implementing the budget constituted the preconditions for activating the Transmigration Project. Standard procedures including, for example, contracting, tenders, and a reporting system, were all set forth in the budget implementation instructions. Each year the feedback from lessons of experience in managing the project would be utilized to improve the effectiveness of those instructions. Such a continuous improvement did not necessarily mean, however, that administrative measures then in force were either sufficient or satisfactory. They still showed many weaknesses, especially in 1969/70 when the new sub-project in Lampung Province was initiated.

For the Way Abung sub-project the problem was even more serious because its organizational plan was not represented by a separate Project Content Form. As has been explained, provisions for that activity were included within the DIP for the whole transmigration operation to be carried out in Lampung Province. With that in mind, the organization and staffing of the Lampung Transmigration Project, as well as the Way Abung sub-project, may be outlined for 1969/70 as follows.

Overall responsibility for organizing transmigration in Indonesia resided in the office of the Director General for Transmigration in the Department of Manpower, Transmigration, and Cooperatives. The Directorate General

for Transmigration with headquarters in Jakarta was divided into four divisions, namely, the Directorates of Research and Preparation, Land Reclamation, Mobilization and Settlement, and Guidance and Development. In those provinces where migrants had originated or where they had settled, the Director General was represented by Provincial Directorates of Transmigration. Each of these was headed by a Provincial Director (see Figures 2 and 3).

Each Provincial Directorate was divided into four sections, namely, the Offices of Research and Preparation, Land Reclamation, Settlement, and Guidance and Development (see Figure 4). For those districts identified more directly with migrant origin and settlement, and regarded by the Director General as sufficiently important, Regency (District) Offices were maintained (see Figure 5). Each of these was administered by a District Officer.

The Way Abung sub-project during the period from 1969 to 1974 was directed by the local District Officer who reported to the Lampung Provincial Director of Transmigration. The latter was also the Project Manager for the Lampung Transmigration Project and was therefore doubly responsible for the Way Abung operation. The District Officer for Way Abung followed the instructions he received from his superior, the Provincial Director/Project Manager, which depended on the latter's judgment as to what was needed for the Way Abung sub-project. A Treasurer was appointed for the Lampung Transmigration Project; he was responsible to the Project Manager for financial administration of the resettlement.

Coordination of Participating Agencies

It should be noted that in implementing the Indonesian transmigration program, including the Lampung Project, a number of government agencies and/or institutions directed activities that were designed to support the realization of national expectations in this area. A most serious problem arose, however, in regard

FIGURE 2

Organizational Structure of the Indonesian Transmigration Program, 1969/70

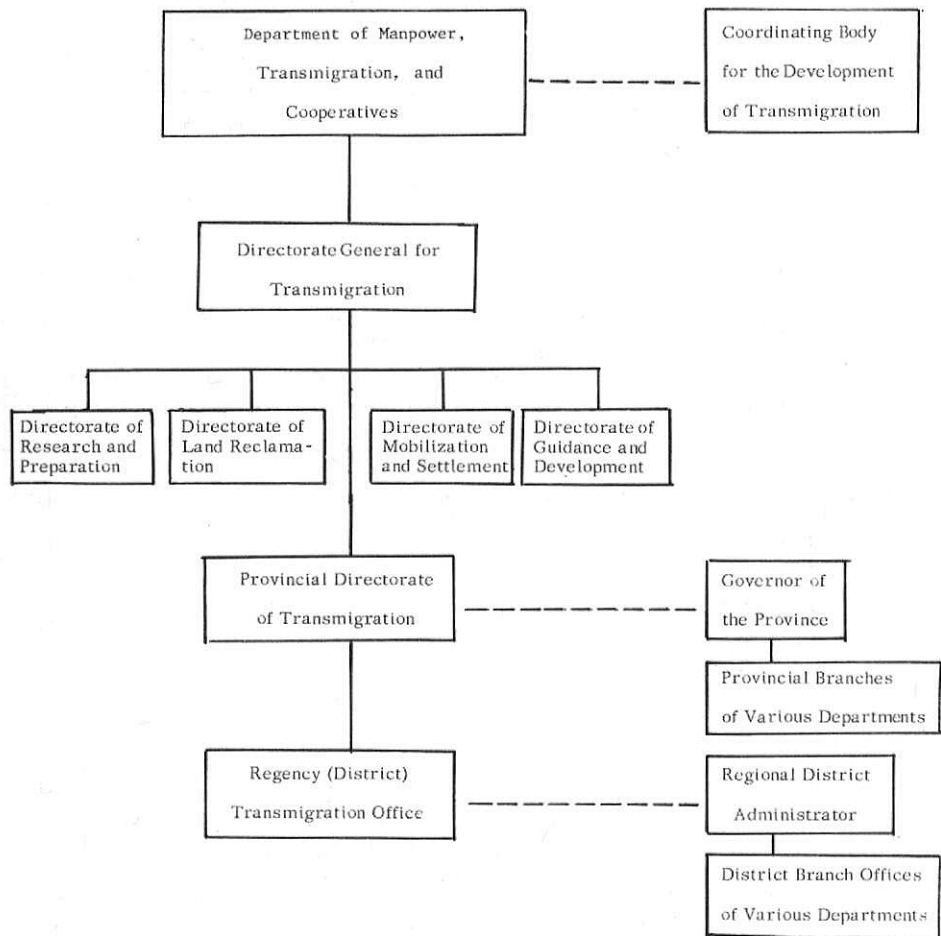
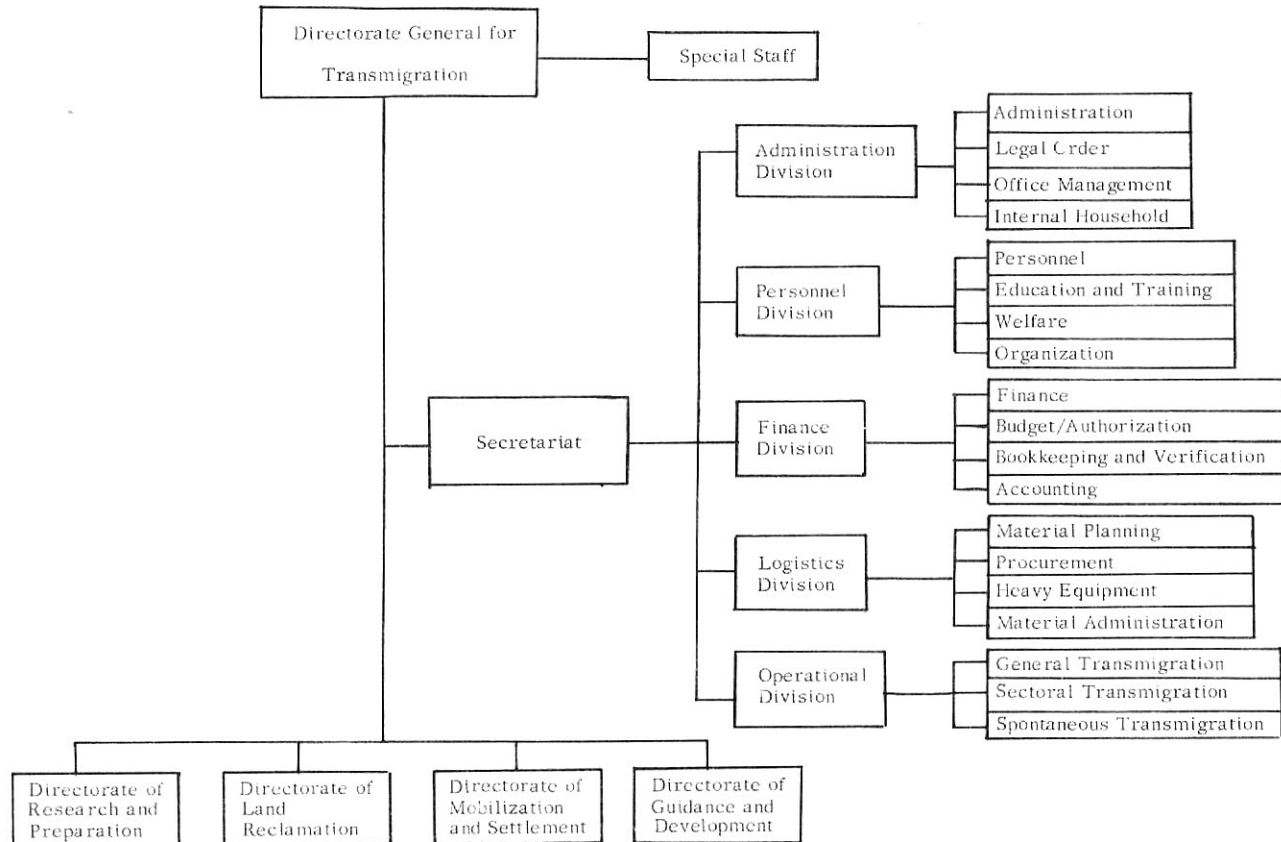


FIGURE 3

Organizational Structure of the Directorate General for Transmigration, 1969/70



to the need for creating and maintaining harmonious relations among the various contributing programs so that the substantive task of resettlement could be carried out effectively and efficiently. The problem was basically one of proper coordination.

For this purpose an interdepartmental group was established at the national level, called Badan Pengembangan Transmigrasi (literally, Body for the Development of Transmigration). Actually, its primary function was more that of coordination than of development. The Chairman of the new forum was the Minister of Manpower, Transmigration, and Cooperatives. Its membership included, among others, representatives from the Departments of Public Works and Electric Power, Interior, Communications, Agriculture, Health, and Education, as well as from BAPPENAS (National Development Planning Agency) and the People's Bank (Bank Rakyat).

Attempts at developing concerted efforts and integrated policies were fairly successful at the national level owing to the work of the Coordinating Body for the Development of Transmigration, but similar attempts did not materialize satisfactorily at the provincial level and they were even less productive at the project site. Thus, the Governor of Lampung Province was supposed to be responsible for the conduct of transmigration activities within his territory. Close cooperation was normally expected between the Governor and the Provincial Director of Transmigration in Lampung. The latter had to rely on the Governor for support and cooperation from the heads of other Lampung Province agencies who were responsible for sectors like irrigation, education, and public health. The Governor did have the authority to coordinate government activities at the provincial level, but the outcome was not always a positive one in the view of resettlement site managers. In most cases, decisions about implementation on the site of either project or sub-project were made by provincial officials.

It should be evident from the preceding discussion that while responsibility for the execution of the Indonesian transmigration program rested with the Department of Manpower, Transmigration, and Cooperatives

and its Directorate General for Transmigration, the Republic was compelled to rely largely on the provincial and district governments for day-to-day policy and actual implementation of resettlement projects.

Functions of the Directorate General for Transmigration

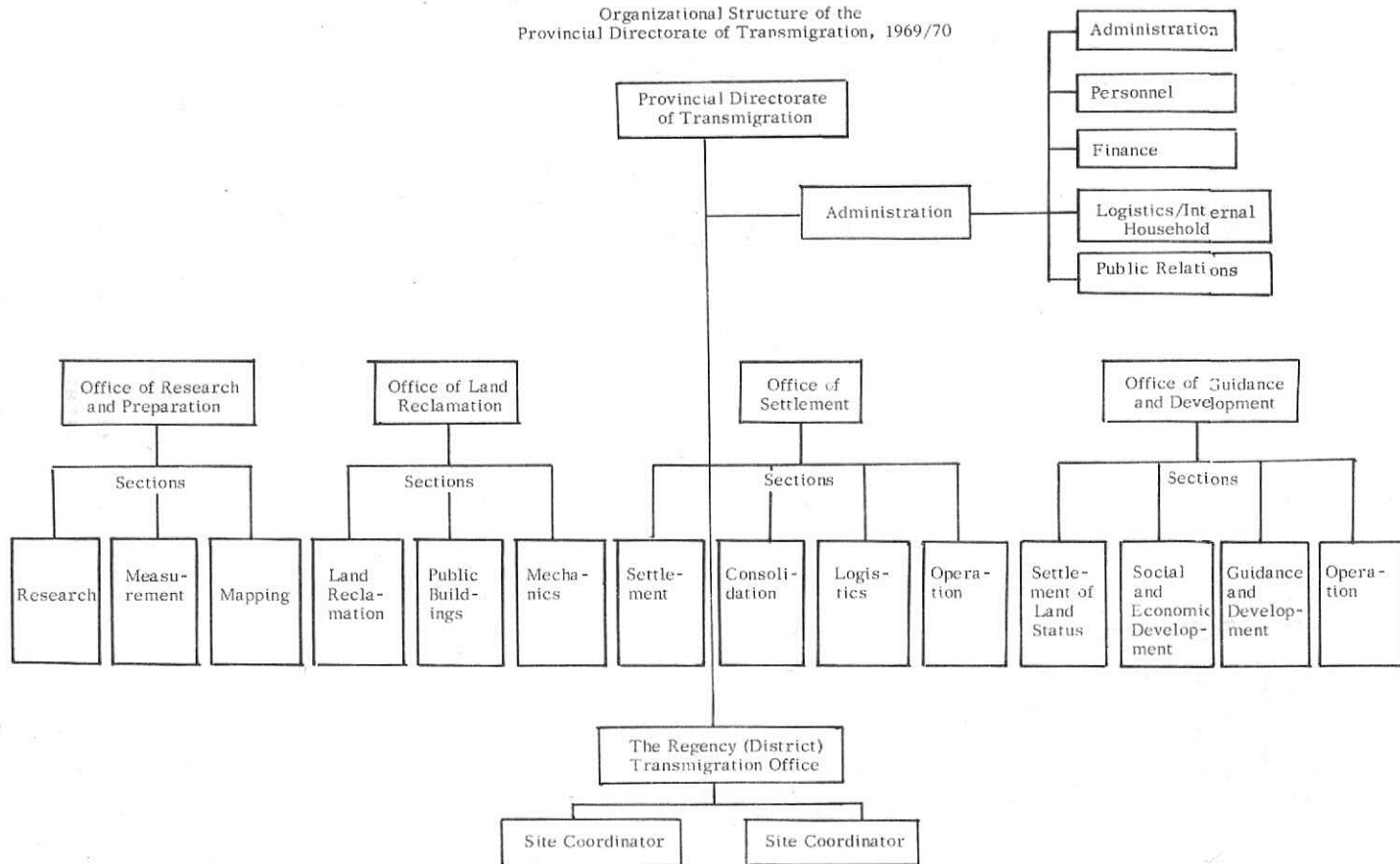
It will be useful to elaborate on the functions of the Directorate General for Transmigration and its principal organizational components, namely, the four Directorates and the Secretariat. The structure of this national agency, which maintained headquarters in Jakarta, has been indicated in Figure 3. The main functions and tasks of its several offices are set forth below.

Directorate General for Transmigration. The agency's overall responsibilities were apportioned among its four directorates. Information about the meaning and objective of transmigration was transmitted to Indonesians, mainly in the more populated areas of Java and Bali, in order to attract their interest as potential migrants who would be willing to resettle in the Outer Islands. Land was acquired and developed in the destination areas. Preparatory measures were undertaken in the settlements to accommodate the needs of migrants after they arrived. Transportation was provided and organized from places of origin to places of settlement.

Directorate of Research and Preparation. This division collected and processed informational data and conducted research studies relevant to transmigration. It formulated administrative and operational plans for resettlement based on policies which had been outlined by the Director General. It carried out mapping surveys and drew up designs for settlement area facilities. It maintained files of statistical data, inventories, and other documentation concerning all activities of the Directorate General.

FIGURE 4

Organizational Structure of the
Provincial Directorate of Transmigration, 1969/70



Directorate of Land Reclamation. This division was responsible for all preparatory measures relating to land clearance. It managed the construction of housing and other physical infrastructure, and arranged for the acquisition and maintenance of mechanical equipment used in the destination areas.

Directorate of Mobilization and Settlement. This division was charged with the task of mobilizing and settling the transmigrants. It transported them from their places of origin to the destination areas, and provided them with all essential supplies. It administered the consolidation of new settlements, and provided facilities for general health maintenance.

Directorate of Guidance and Development. This division promoted the general development of transmigration projects. It also provided for the social and economic needs of the migrant community. It attended to the resolution of problems relating to the land rights of settlers. It undertook preparatory measures with respect to the transfer of administration of transmigration projects to local governments after three years.

Secretariat. This office assisted the Director General in all matters. It undertook evaluations, made estimates, and formulated plans for monitoring the personnel, materiel, and financial administration of the Directorate General. It drafted the annual budget of the Directorate General. It organized data on various problems, made recommendations, and submitted reports to the Director General. It prepared for the provision of general policy implementation. It exercised general supervision and facilitated staff coordination relating to the execution of tasks assigned to the several Directorates.

Administration in the Settlement Area

Earlier in this chapter, it was indicated that general policy and implementation of the Indonesian

transmigration programs as managed by the Directorate General for Transmigration were dependent to a very large degree on the administrators at Provincial and Regency (District) levels for what actually transpired in the settlement area.

Special mention must be accorded to three persons who were primarily responsible for the execution of the Way Abung sub-project. They were Pagar Alam, the Governor of Lampung Province; M. M. Judolaksono, the Project Manager and Provincial Director of Transmigration in Lampung; and Abdullah, the District Officer for Way Abung.

The organizational structure of the Provincial Directorate of Transmigration as it pertained to Lampung Province has been presented in Figure 4. The relationship of this office to the Governor of Lampung Province on the one hand, and to the Regency (District) Transmigration Office and the Way Abung sub-project on the other, has also been noted. The organizational structure of the Regency (District) Transmigration Office is displayed in Figure 5, and its relationship with the Way Abung sub-project is charted in Figure 6.

It will be of interest to name the village units in Way Abung Areas I and II, as they existed near the end of the project period, namely, 1973/74 (see Figure 1). In Way Abung Area I, there were six village units (date of settlement is given in parentheses): Tata Karya and Purbasakti (1965), Bangunsari (1967), Sidomukti (1971), Bumirestu (1972), and Bumiraharjo (1973). In Way Abung Area II, there were fourteen village units: Dayasakti (1970), Daya Murni (1971), Makarti, Margomulyo, Mulyosari, and Kartasari (1972), and Marga Kencana, Chandra Kencana, Kagungan Ratu, Mulya Kencana, Tirta Kencana, Panaragan Jaya, Kerya Raharja, and Pulung Kencana (1973).

FIGURE 5

Organizational Structure of the
Regency (District) Transmigration Office, 1969/70

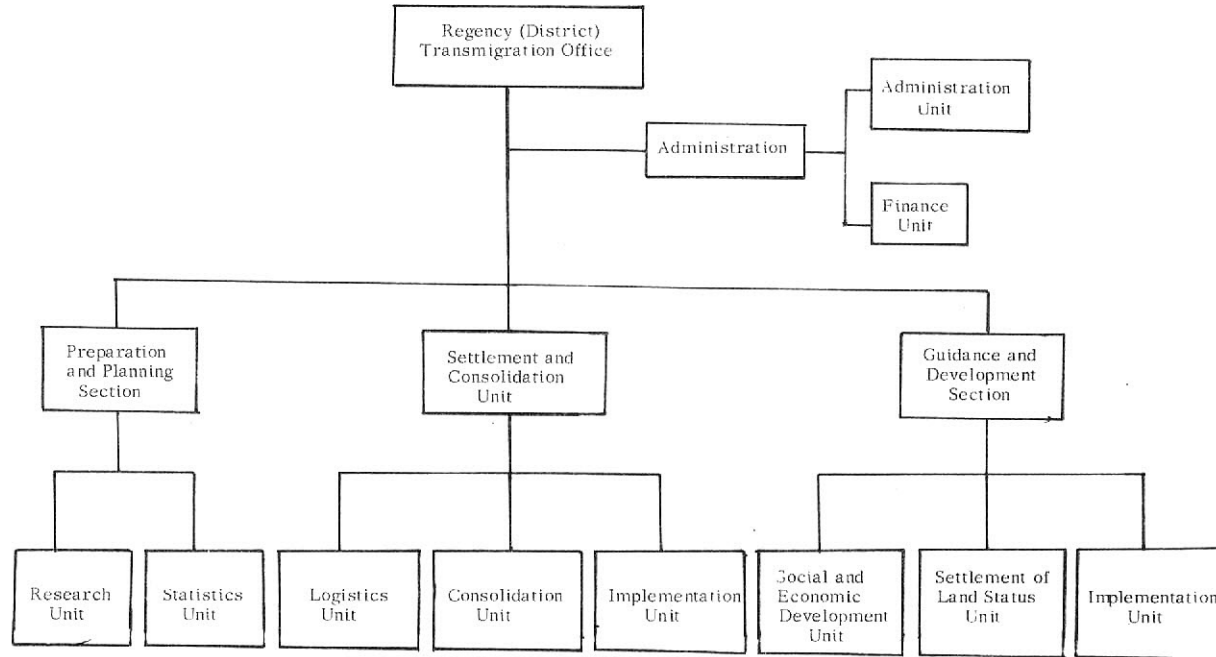
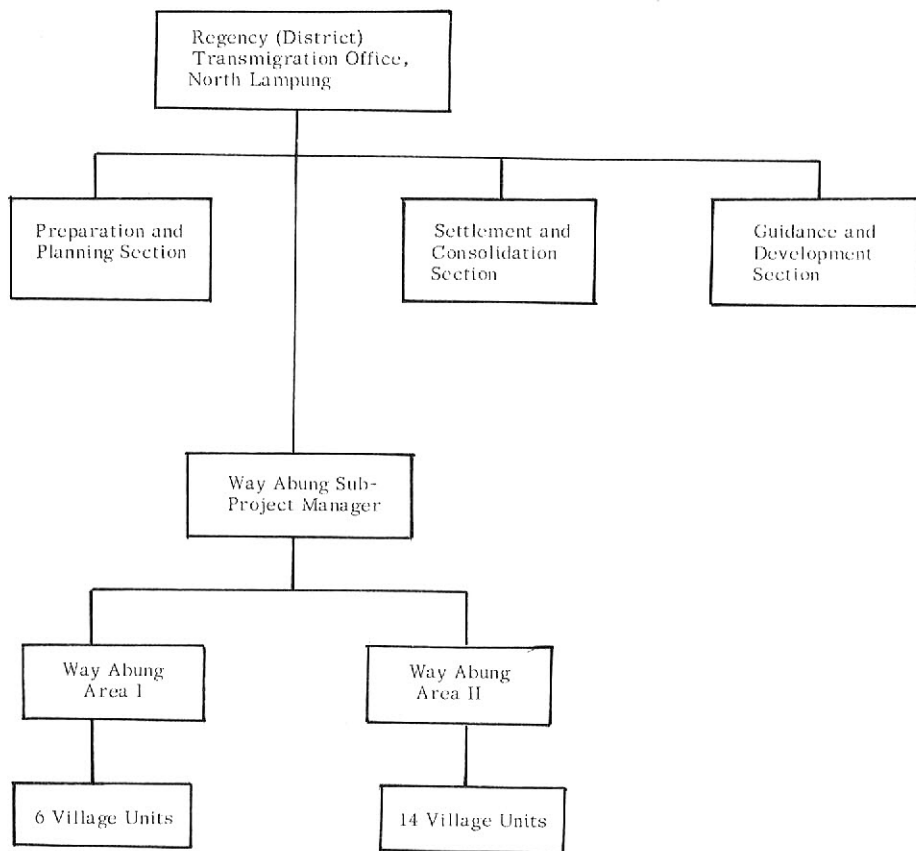


FIGURE 6

Organizational Structure of the Way Abung Project 1973/74



CHAPTER VI

MANAGEMENT PROBLEMS IN PROJECT IMPLEMENTATION

As mentioned in Chapter IV, management of resettlement activity at Way Abung was the responsibility of the Provincial Transmigration Director, in close cooperation with the Governor of Lampung Province, according to the Project Content Form (DIP) approved for the more comprehensive Lampung Transmigration Project. But the day-to-day administration in Way Abung rested with the Regency or District Transmigration Officer who was charged with the task of directly supervising implementation of the sub-project in that area.

Way Abung Project Site Management

In actual practice, as noted earlier, the District Officer could only implement the direction or execute the instructions transmitted to him by the Provincial Director. The scope of activities conducted by the Way Abung chief depended essentially on financial allotments and provisions in kind which were decided on at the provincial level. But the nature of his relationship with the Provincial Director and the strength of his attitude about making suggestions and proposals based on his own appraisal of real and felt needs of the settlers also affected the management of the project.

In the period from 1969 to 1974, the project site was divided into two areas, namely Way Abung I and Way Abung II. Each was administered by an Area Coordinator under the supervision of the District Officer. The Coordinator for Area I was located in Tata Karya, one of six constituent village units. In Area II, the Coordinator's office was in Pulung Kencana, one of fourteen villages in that division.

Each village unit consisted of a number of hamlets. Each hamlet was made up of ten neighborhoods, and each of the latter normally comprised ten families. Every village

unit was superintended by a village headman and his assistants. He was charged with general development of the village. Associations for the same purpose were set up at the hamlet and neighborhood levels. Each neighborhood association ideally had ten family heads as its membership, but the number actually depended on the size of the population group, as was the case also with the hamlet associations (see Figure 7).

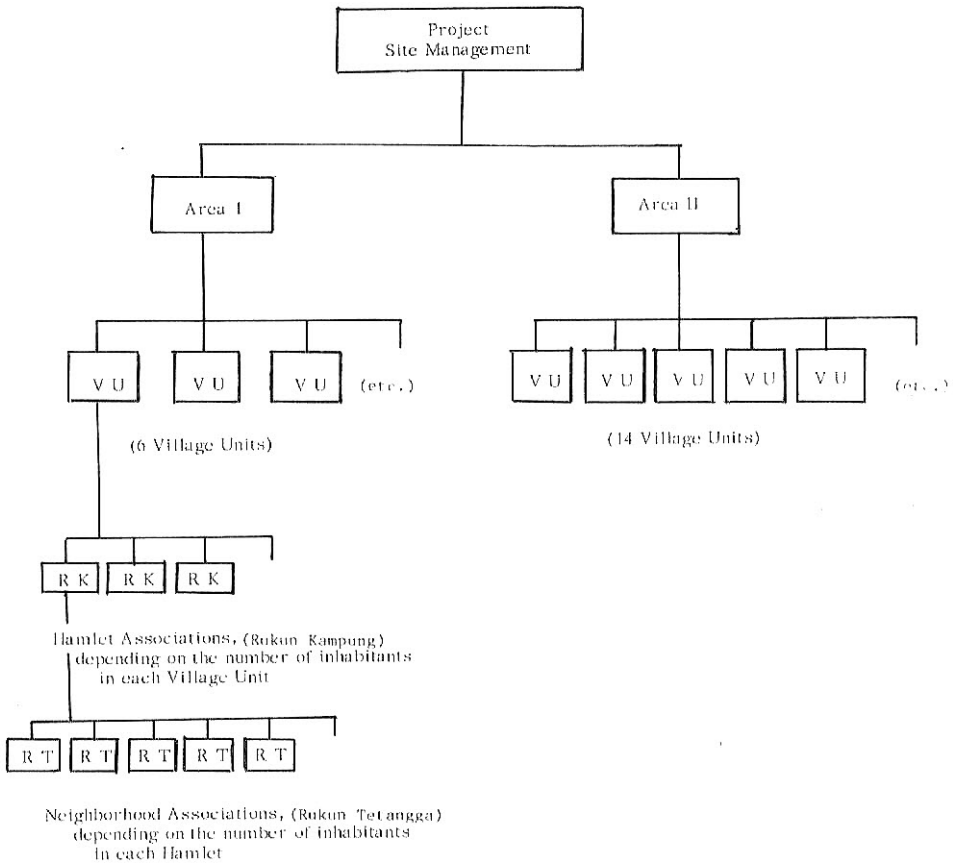
After the first year of the Way Abung project, a Provisional Village Administration was established, consisting of village headman, secretary, treasurer, security officers, a religious official, and a committee that dealt with matters of marriage, divorce, and reconciliation. A Committee of Village Development was created to promote development activities generally. Village social groups and farmers' associations were also formed to work cooperatively in areas of social and economic growth.

The Project Manager as Director of the Transmigration Office in Lampung Province was located in Tanjung Karang, the provincial capital. The two Area Coordinators at Way Abung had nothing to do with the Lampung Transmigration DIP (Project Content Form). They were merely responsible for carrying out the task of implementation in their respective Areas. The Provincial Director, in composing the DUP (Project Proposal Form), had obtained all necessary data from the Area Coordinators through the District Officer, so that he was supposed to know the people's needs in those areas.¹

¹Not until REPELITA II (the Second Five-Year Development Program, instituted in 1974/75) was it determined that the Project Manager as coordinator, together with the Project Treasurer, would reside at the project site. Following this stipulation, all management problems at Way Abung were dealt with directly and resolved at the project site. The Provincial Director (now titled the Lampung Province Representative of the Director General for Transmigration) retained general responsibility for supervising and coordinating all of the projects within his jurisdiction.

FIGURE 7

Village, Hamlet, and Neighborhood Relationships, Way Abung Project



Leadership and Coordination Needs

Some impressions gained from the comparative study of management in various transmigration projects indicate that leadership orientation is one of the most important variables in project administration.² It is suggested that there are two types of project managers. The first is the traditional type who operates according to regulations and follows instructions received from his superiors. The other is the developmental type who is more creative and innovative. He attempts not only to meet day-to-day requirements of the settlement project, but also to promote a more viable and dynamic community that can become an integral part of the larger regional community. Judging from the experience of Way Abung, the management of that project was less of the developmental type.

The main problem in implementation at Way Abung was to establish and maintain a concerted effort in direct response to changing project requirements at the site. While the Provincial Director was concerned with the overall coordination of activities, such as recruitment of migrants, movement to the destination area, initial settlement, and provision of care during the first few years, the District Officer was compelled to give immediate attention to management problems as they arose in the transmigration community.

In this connection an example may be mentioned which had to do with responsibility for land reclamation at Way Abung. This properly fell within the jurisdiction of the Directorate of Land Clearance, which had a branch office in Lampung Province under the Provincial Directorate of Transmigration. But, in fact, clearance of land at the project site had to be accomplished by contracting out the work to private enterprise.

²From an interview with Much. Iljas of the Directorate General for Transmigration.

This and many other cases proved that weakness in implementation and resultant output was caused by a lack of coordination. Thus, when the settlers were ready to cultivate the land, the construction of irrigation channels had not yet been completed. According to the Department of Public Works, Way Abung was not an area with high priority for irrigation cultivation. Further, the agricultural services extended to settlers were not well suited to the quality of the land, nor to the method of dry farming required. The network of roads that was built in Way Abung, although not at all complex in design, failed to meet the settlers' requirements. Cattle had not been provided for the project, and consequently the plowing of the land was being done manually, which meant a lowered productivity of the migrants' labors.

Not an immediate problem at the project site, but nonetheless a threat to the resettlement program as a whole, was the inadequacy of transportation facilities from the populous regions in Java to destination areas in Sumatra. Spontaneous transmigrants had to stop over in holding terminals in Jakarta which caused demoralizing delays and considerably added to their financial burden, for they received no government assistance until they arrived in the Outer Island settlements. According to a study conducted by University of Indonesia social scientists, this situation contributed significantly to a reduced motivation on the part of Indonesians being recruited for spontaneous transmigration.³

From such lessons as these, it can be stated that one of the most important leverages for improving management output at Way Abung was a better coordination of project components. For an overall picture of the

³Djoko Santoso and Ali Wardhana (eds.), Some Aspects of Spontaneous Transmigration in Indonesia, (Djakarta: Institute for Economic and Social Research, Djakarta School of Economics, University of Indonesia, 1957), p. 428.

relationships to be maintained in implementing the transmigration project, refer to Figure 8 for a schematic arrangement depicting the matrix of relevant activities, sub-activities, and agencies or institutions responsible for their accomplishment. It was expected, in theory, that all of these components would be considered by the Provincial Director of Transmigration in performing his overall management functions. The same generalization applied even more to the District Officer at Way Abung who held immediate responsibility for all aspects of the project operation.⁴

While problems of implementation thus stemmed to a certain degree from the weakness of coordination, they also resulted from other causes, some of which are indicated here. In planning, more emphasis had been placed on the relief of demographic pressures in Java than on regional development and social improvement in Sumatra. Delays in the processing of government financial aid and disbursements contributed to a lowered capacity of the program to absorb transmigrants in the destination areas. Government clearance of land lagged behind the need for allocation of plots to newly-arrived settlers, and the latter did not have the necessary equipment to clear the land themselves. In addition, official administration of land titles was unduly cumbersome.

Credit facilities were supposed to be extended through the People's Bank (Bank Rakyat Indonesia) as part of the BIMAS program, but did not materialize as expected. BIMAS (Bimbingan Masal Swasembada Bahan Makanan, or Mass Guidance for Self-Sufficiency in Food) was a government program established in 1965 to increase rice production through Extension Service assistance in improved seed, more use of fertilizers and pesticides, expanded irrigation, and provision of credit facilities

⁴It was not until 1974 that coordination of transmigration activities was improved by the issuance of Presidential Decree No. 29 in that same year.

FIGURE 8

Institutional Relations and Responsibilities, Way Abung Project

Activities	Subactivities	Agencies/Institutions
Recruitment of migrants, preparation for movement		Dir. Gen. for Transmigration; Provincial Government
Transportation and holding terminal in Jakarta		Dir. Gen. for Transportation; Dept. of Communications
Soil Studies; research		Soil Research Institute; Dir. Gen. for Agrarian Affairs
Land alienation from community lands		Dir. Gen. for Agrarian Affairs
Land clearance and development		Dir. Gen. for Transportation; contractors
Basic facilities	Housing; water; roads; etc.	Dir. Gen. for Transportation; Dir. Gen. for Road Construction; contractors.
Irrigation	Primary; secondary; tertiary	Dir. Gen. for Irrigation; Dept. of Home Affairs
Settlement of migrants		Dir. Gen. for Transportation; Provincial Government
Agriculture and extension service	Food and other crops; marketable commodities	Dir. Gen. for Transportation; Dept. of Agriculture; People's Bank; Dir. Gen. for Cooperatives
Social facilities	Elementary and secondary schools; health center; mosque	Dir. Gen. for Transportation; Dept. of Education; Dept. of Health; Dept. of Religious Affairs; community.
Land rights	Right of use and cultivation; proprietary right	Dir. Gen. for Agrarian Affairs
Marketing and home industry		Dir. Gen. for Transportation; Dept. of Trade; Dir. Gen. for Cooperatives; People's Bank
Farm and other equipment	Farm and other equipment; transport means for marketable products	Dir. Gen. for Transportation; Dir. Gen. for Cooperatives; People's Bank
Development of cooperatives		Dir. Gen. for Cooperatives
Cattle and other animals		Dir. Gen. for Transportation; Dept. of Agriculture; People's Bank
Administration and security		Dir. Gen. for Transportation; Provincial Government

for purchasing agricultural aids on a crop repayment plan.

Another problem calling for serious attention was the marketing of migrant-produced goods and the pricing of imported consumer products. The existing terms of trade were not at all favorable to the settlers. A principal reason for this was the poor condition of roads linking the settlement villages with the market centers. The local trucking business was monopolized by a certain commercial firm which succeeded in maintaining very high shipping charges for both exported and imported merchandise. According to a study by the World Bank, the transportation cost component in pricing ran as high as 60 percent.⁵

Measures of Project Performance

Supervision, monitoring, and control constitute a very important aspect of project management. At Way Abung, these functions were carried out in accordance with standards stipulated in the Project Content Form (DIP) for the Lampung Transmigration operation. The Project Manager (Provincial Director of Transmigration) was obligated to submit quarterly reports on the physical progress and financial expenditures of the project.⁶ These reports were forwarded to the Department of Manpower, Transmigration, and Cooperatives (through the Directorate General for Transmigration) as well as to BAPPENAS (National Development Planning Agency) and the Directorate General for Budgeting. It should be

⁵World Bank (Team Report), "Appraisal of a Transmigration and Rural Development Project," (Unpublished paper; Jakarta: April 8, 1976), p. 57.

⁶The Quarterly Progress Report Form was employed in Indonesia to implement the project planning, programming, budgeting, and evaluation cycle.

acknowledged, however, that the reporting system lacked elements pertinent to problem-solving and follow-up activities. Besides, the performance benchmarks did not provide much direction for effective monitoring and control. At present, the reporting system is undergoing review and improvement.

In addition, field supervisory missions were carried out by staff from the Directorate General for Transmigration. Those activities that were identified as requiring follow-up action were then reported to the Department of Manpower, Transmigration, and Cooperatives, or were forwarded to the Coordinating Body for the Development of Transmigration for consideration. At the project site level, the District Officer for Way Abung in consultation with the Provincial Director for Transmigration exercised supervision and control more directly but without special management procedures to support them in these functions. They were, however, encouraged in the utilization of network analysis.

In the period from 1969 to 1974, a number of significant accomplishments issued from the Way Abung sub-project, among which some are mentioned here as representative.

In the villages scattered throughout Areas I and II, a total of 49,247 persons including 10,950 family heads had been resettled. Land which had been cleared and opened for cultivation amounted to 13,687 hectares.

In the public health sector, Area I had a Type B Health Center established at Tata Karya and a clinic at Bumirestu. Area II operated a Type B Health Center at Daya Murni, five Policlinics at Margomulyo, Mulyosari, Chandra Kencana, Pulung Kencana, and Panaragan, and a clinic at Dayasakti. Medical personnel to manage these facilities included four nurses, thirteen nurse assistants, one midwife, and three midwife assistants. This

⁷In the previous four years, dating from 1965 when Way Abung first accepted transmigrants, an additional 6,511 persons including 1,552 family heads had already been resettled in the area.

force was also aided by forty-nine traditional midwives.

Twelve Village Unit Cooperatives (Koperasi Unit Desa, or KUD) had been organized by the end of the project period. Before the establishment of KUD, five cooperatives had been in operation at Tata Karya and Purbasakti in Area I, and at Mulyosari, Margomulyo, and Dayasakti in Area II.

Considerable activity was generated in the public education sector. By 1974, there were eighty-three elementary school classrooms. Thirty of these were of permanent construction and fifty-three were only temporary. The teachers for these schools numbered 152 and supervised a total of 5,544 pupils who were distributed through six years of elementary or primary schooling as follows:

2,734	(first grade)
1,327	(second grade)
719	(third grade)
461	(fourth grade)
204	(fifth grade)
99	(sixth grade)

At the secondary education level there was one general high school, located at Mulyosari, which had thirty students and ten teachers. In addition, secondary education in Economic subjects was offered in a school at Tata Karya, also with thirty students and ten teachers, and in Agricultural subjects in a school at Dayasakti with fifteen students and eight teachers.

Mention has been made of the BIMAS program for self-sufficiency in food production. Land utilized for rice cultivation at Way Abung as part of that operation amounted to 1,075 hectares and involved 2,108 settlers. Additionally, 269 migrant farmers in the same program raised other crops on 280 hectares of land. Transmigrants from 1969 to 1974 also received supplemental aid from the World Food Program (WFP 715). These food stores were allocated to them in lieu of payment for doing such work as dredging irrigation channels, rehabilitating the roads, and controlling soil erosion.

Four village units at Way Abung, comprising about 2,000 families, were integrated in 1974/75 with the Regency, or District, administration. As these communities had been founded in 1965, this meant that they were under the supervision of the Directorate General for Transmigration for a total of nine years, four more than regulations then in force normally permitted.

Statutory Changes Affecting Implementation

In 1972 a very important development took place which, although it had no marked influence on the course of the Way Abung sub-project, would affect the implementation of the national transmigration program in years to come. Statute No. 3, 1972, concerning the Basic Stipulations for Transmigration, gave to the Department (Ministry) of Manpower, Transmigration, and Cooperatives more leverage and authority than it had possessed before in the implementation of resettlement projects.

The general policy aim of the statute was to conduct both general and spontaneous transmigration in the most efficient manner in order to achieve improvement of migrants' living standards, to extend regional development more evenly throughout Indonesia, to ensure a more balanced distribution of population, to utilize more effectively the natural resources and manpower of the Republic, to promote national unity and integration, and to strengthen national defense and security.

With respect to the financing of transmigration projects, the costs of all activities sponsored by the government would come from the State Budget, and would be apportioned according to the various requirements of resettlement.

Transmigration areas would be determined by Presidential decree, as the authority and responsibility for various settlement activities inevitably involved a number of different government departments and agencies. Authority for further execution of the program would be delegated to the Department of Manpower, Transmigration, and Cooperatives with the understanding that the Department of Home Affairs would participate closely.

Determination of destination areas would henceforth be based on the following criteria:

- (a) uninhabited or only sparsely populated regions,
- (b) sufficiency of land to permit agricultural production on a wide scale,
- (c) opportunities for expanded employment and better livelihood on the part of transmigrants,
- (d) importance to the national security, and
- (e) other considerations that might be viewed as important by the government.

CHAPTER VII

THE END AND A BEGINNING

Transfer to Normal Administration

According to the stipulations of Republican law or administrative decrees concerning transmigration, settlers were maintained under the care and guidance of the Directorate General for Transmigration for five years. After that period, the task was taken over by the Provincial Governor in a transfer to normal administration.

Upon completion of the transmigration project, or any portion of it, transfer proceeded in the following manner. In the first instance, a technical team was appointed to prepare for the changeover (it also evaluated the project). It was composed of representatives from the participating Departments and was chaired by the Provincial Governor. Consideration was given to economic and social qualifications for termination of the migrant community, with reference to guidelines previously established by the Directorate General for Transmigration, such as the following:

(a) that the project, or any part of it, had been managed for at least five years,

(b) that each family head had possession of a house for himself and his family,

(c) that the legal security of land (either farm or non-farm) allocated to the family head had been established in accordance with decrees issued by the Director General for Agrarian Affairs (No. 3, 1967) and the Minister of Manpower, Transmigration, and Cooperatives (No. 18, 1971),

(d) that the infrastructure and facilities of the village gave satisfactory assurance of a settled life and the promise of further growth in conformance with developmental stages based on the principle of self-help, and

(e) that eligible families formed an orderly and legally established community unit with designated land boundaries and a provisional form of village administration.

The next step was the actual transfer of responsibility from the Department of Manpower, Transmigration, and Cooperatives to the Department of Home Affairs. Eligible village units in the Way Abung project would then be integrated within the regional (regency) government. While this procedure applied to village units that had been established by the Directorate of Transmigration five years earlier, in actual practice the time was sometimes extended to nine years for migrant communities founded in 1965 when Way Abung was first opened up. Furthermore, transfer did not mean that all members of a given village were necessarily involved in the move at the same time. Some settlers who joined the village unit later continued under the responsibility of the Directorate of Transmigration until they had completed their official five-year residence.

In fact, the changeover to routine administration also occurred at different times depending on the sector of activity scheduled for transfer. For example, administration of agricultural extension services was normalized after plots of land had been under cultivation for only two years. In the case of health centers, the operational costs were carried past the five-year period by the Transmigration office until the Department of Health was allocated funds sufficient to maintain the centers under regional government. Elementary schools, on the other hand, were transferred to the regional government's care at the same time that the project as a whole was handed over.

Some further description of village and district administrative relationships is necessary at this point. As noted earlier, each migrant community in the Way Abung project was managed by a headman of the village unit. But village administration when subordinated to the regional government after transfer was performed by a Village Chief. There is a distinct difference between the headman of a village unit, as an official under the Directorate General for Transmigration, and the Village

Chief as a functionary of the regional government. The former had been responsible to the Way Abung project manager, who at the same time was head of the Regency Transmigration office, whereas the Village Chief now answered directly to the head of the Regency (District) government.

During the period of the Way Abung project (1969-1974), the village administration of new settlement communities was set up under the guidance of the Directorate General for Transmigration. The head of a village unit and his assistants were elected by members of the community, but the successful candidates had to be acceptable to and approved by the Transmigration office. Since 1974, establishment of village administration, as well as the election of village officials, has been subject to joint review by the Minister of Home Affairs and the Minister of Manpower, Transmigration, and Cooperatives. Village administrators are still elected by the transmigration community, but they must now be approved by the regional government. Their status continues to be provisional as the instruments of a village still in process of preparation.

Land proved to be a principal problem in the transfer of responsibility from the Directorate General for Transmigration to the provincial government. It often happened that the official grant of two hectares of land to a family head was not yet entirely under cultivation at the time of transfer. There were several reasons for this. The transmigrant may have been unable to farm all of his land owing to the limits of his own working capacity and not being in a financial position to employ others to assist him. Or, the land allotted to him may have been located at some considerable distance from his house so that, not having been cleared because of difficulties presented by the distance involved, it remained in a forested condition. There were also instances where the land was found to be still occupied by others when a settler wanted to clear off the forest, even though the land had been designated for his use in the settlement project.

A related problem existed in regard to the proprietary rights of settlers to land they had cleared and cultivated

for five years. Especially subject to dispute was land that had been alienated by the government from local communal holdings in the years before REPELITA I (and the associated Way Abung project) got underway in 1969/70. The local people, who had prior communal rights in the land, challenged this alienation on the basis of their traditional ties with the land. The government's acquisition of these disputed lands had been based on a "letter of decision" negotiated with the local clan that was linked by custom with the area. Since that time, the final transfer of land to the settlers has been strengthened by the requirement of a letter signed by the Governor (Head of Level I Region)¹ and disposed of finally by the Minister of Home Affairs.

The regional government and the Directorate General for Transmigration had long held different views in regard to criteria for determining projects eligible for transfer to normal administration. Such conflicts of interpretation have been resolved by a joint decree on the regulation of resettlement projects issued by the Minister of Home Affairs and the Minister of Manpower, Transmigration, and Cooperatives.

¹"Province" is the name for a territory headed by the Governor in the frame of government decentralization. The Governor is the highest representative of the Central Government in the Province. "Level I Region" denotes a territory administered by the Head of Level I Region in the frame of autonomous government. The Terms Province and Level I Region in fact refer to the same administrative territory. The Governor is also the Head of Level I Region. As Governor, he coordinates the activities of Departments of the Central Government in the Province. As Head of Level I Region, he administers the offices of the autonomous Regional Government. The Governor/Head of Level I Region is appointed by the President on recommendation of the Regional House of Representatives.

The fact remains, however, that in a transmigration area where the settlement of migrants had proceeded in stages over past years, there continued to exist side by side the local people who were indigenous to the area and the settlers who had become local citizens, both groups coming under the regular Regency (District) Administration, and those settlers who were still regulated by the District Transmigration office and had yet to be transferred to the jurisdiction of the regional government.

Evaluation of Way Abung

An evaluation of the Way Abung resettlement project during the final years of implementation of REPELITA I (First Five-Year Development Program in Indonesia) was presented in the Provincial Transmigration Director's annual report for 1974/75.² The progress of project implementation was also recounted in quarterly reports submitted by the Project Manager to his superior, the Provincial Director.

During the final stage of implementation, the Way Abung sub-project of the Lampung Transmigration Project showed signs of a declining trend, judging from such indicators as the lesser number of migrants who were resettled in Way Abung. But viewed in terms of its potential, the Way Abung activity did seem to provide definite possibilities for subsequent expansion. For that reason, intensive research was conducted toward that end.³ The primary objectives were to investigate

² Directorate of Transmigration, Lampung Province, "Annual Report, Fiscal Year 1974/75," (Tanjung Karang, 1975).

³ Among others, two important studies that evaluated the Way Abung project and recommended follow-up action for the future are N. D. Abdul Hameed, "Transmigration Economy of Way Abung," (Unpublished paper; Jakarta: World Bank, February 15, 1975), and World Bank (Team Report), "Appraisal of a Transmigration and Rural Development Project," (Unpublished paper; Jakarta, April 8, 1976).

the causes of apparent decline during the project's last years, and to identify possible bases for its rehabilitation, such as the new transmigration project being launched at Baturaja in the north of Lampung Province adjacent to Way Abung.

These studies, besides analyzing weaknesses in project management, constructively reviewed new policy recommendations for rehabilitation which displayed a fundamentally different approach to transmigration. For example, alternatives were considered to the official grant of two hectares of land to each migrant family, because two hectares were judged to be insufficient to improve the living conditions of settlers. Some recent proposals, based on cost-benefit studies, have suggested increasing these land allotments to five hectares. Further, the idea was put forward that transmigration might be profitably directed toward the development of rubber plantations as well as the cultivation of consumer crops which have been emphasized.

From the viewpoint of management theory, a more integrated approach to project planning and implementation is called for. A principal strategy, in that respect, is to plan project budgeting in a more consistent manner when funding comes from various sources and involves different agencies. In the case of Way Abung, the planning of research and evaluation studies was linked with an effort to attract multilateral funding as an additional resource that could enable the performance of such activities as might be required to rehabilitate and improve the project in a follow-up effort.

Reorganization of Transmigration Management Structures

During the period of final evaluation and partly as an outcome of the surveys conducted at Way Abung, two very important developments took place that would affect future implementation of the Indonesian transmigration program.

Both were the issuance of Presidential Decrees. The first (No. 44, 1974) specified a new organizational

structure for all government offices, including the Directorate General for Transmigration. The other (No. 45, 1974) detailed the restructuring of administrative and secretariat functions in the Directorate General for Transmigration (see Figure 9). This provided for a Secretariat, a staff Directorate of Training, Research, and Evaluation, and four operational Directorates, namely, Planning and Programming, Preparation and Implementation, Recruitment and Placement, and Development and Guidance. Each Provincial Directorate of Transmigration, also referred to as the Representative's Office, duplicated the headquarters structure except for the staff function (Training, Research, and Evaluation). Figure 10 shows this structure as it existed in the receiving and settlement areas.

Another Presidential Decree (No. 29, 1974) provided the organizational structure for external linkages and for internal coordination at national, provincial, and district levels in implementing the Indonesian Transmigration and Rural Development Program (see Figure 11).

FIGURE 9

Organizational Structure of the Directorate General for Transmigration, Transmigration and Rural Development Program, 1974

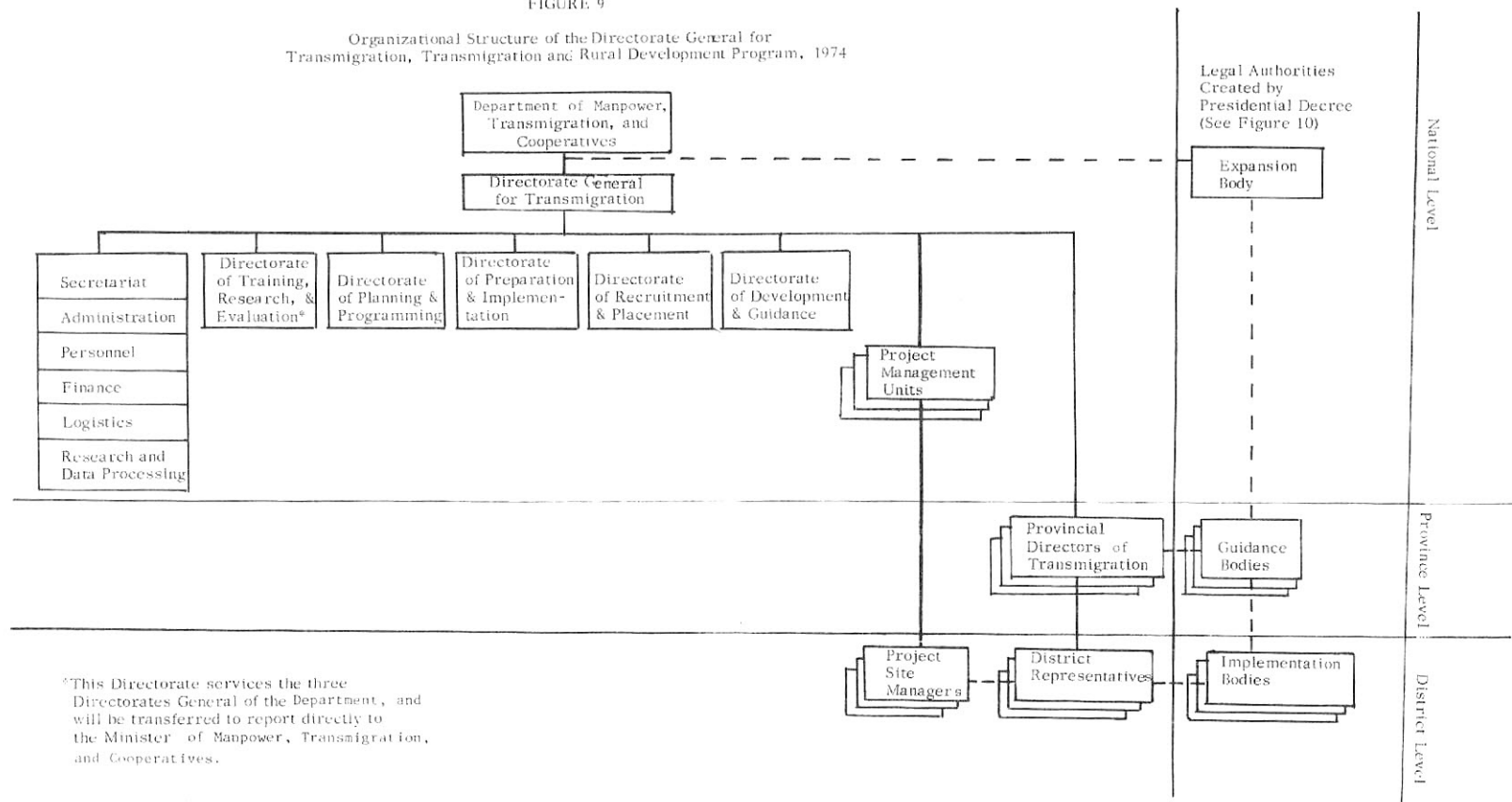


FIGURE 10

Organizational Structure of the Provincial Directorates of Transmigration in Receiving and Settlement Areas, Transmigration and Rural Development Program, 1974

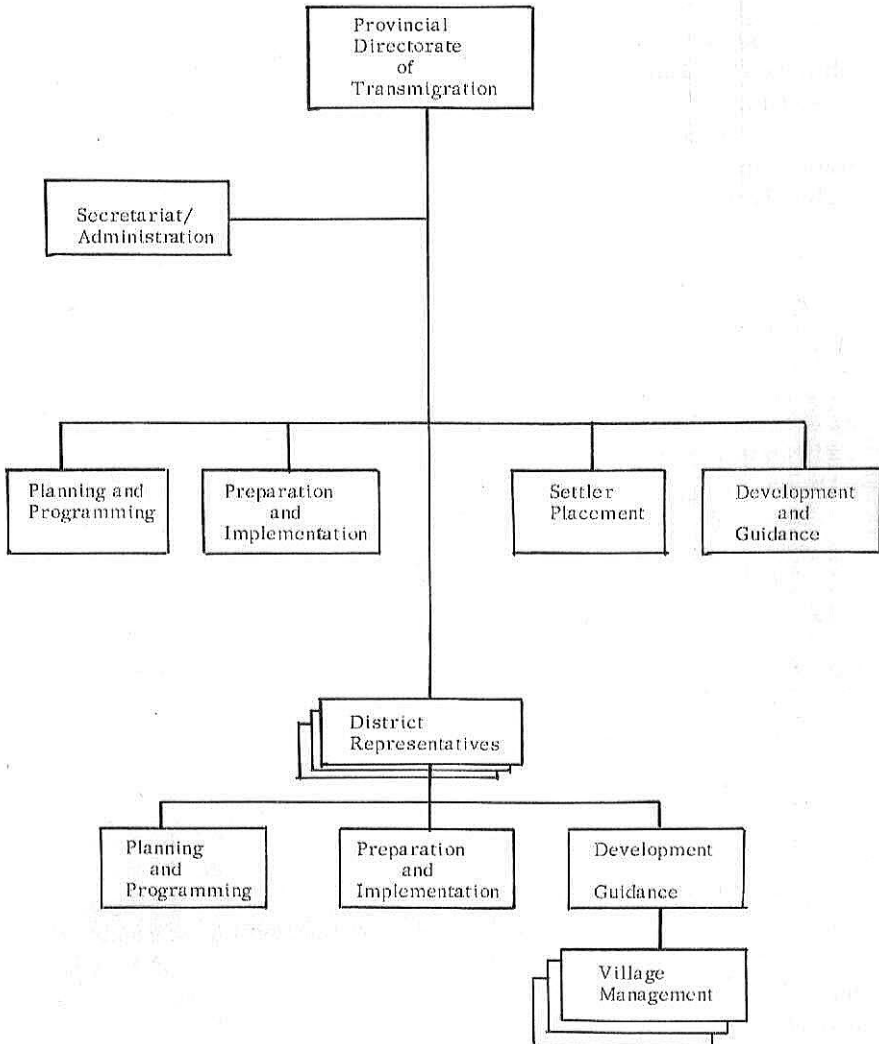
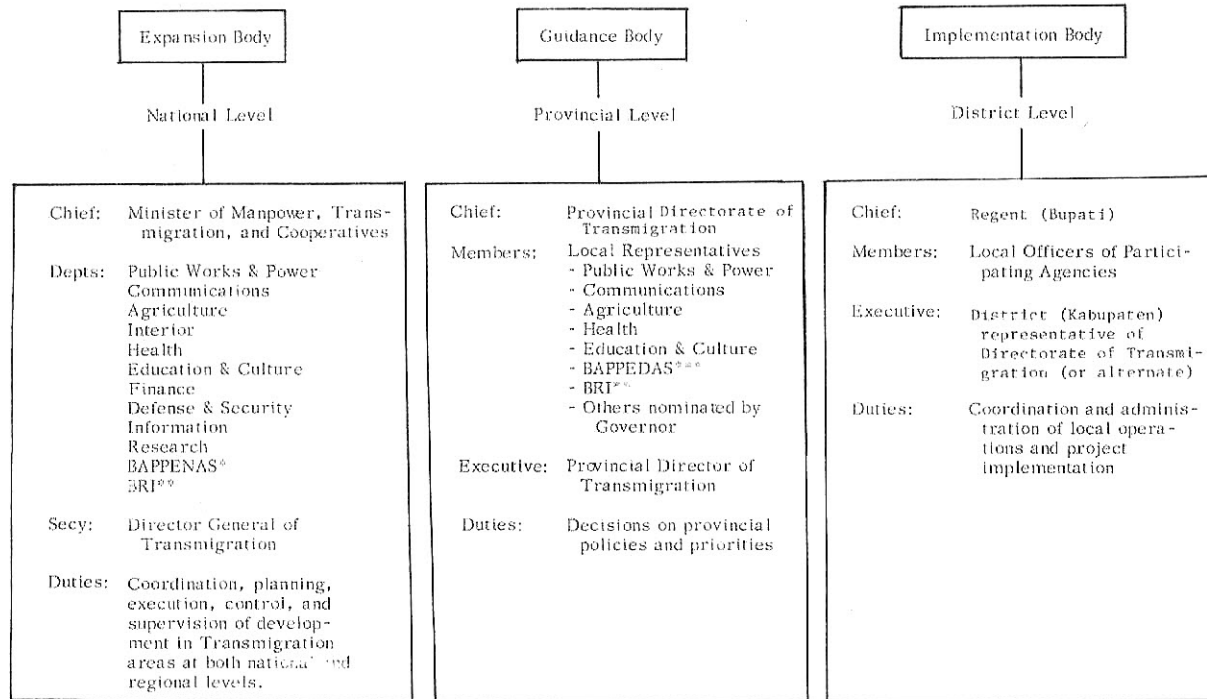


FIGURE 11

Coordinating Bodies for the Transmigration
and Rural Development Program, 1974
(Created by the Presidential Decree, No. 29, 1974)



^a National Development Planning Agency

^b Bank Rakyat Indonesia (Indonesian People's Bank)

^c Regional Planning Units of the Provincial Government

CHAPTER VIII

SUMMARY AND CONCLUSIONS

From the foregoing analysis of the Way Abung transmigration project, certain lessons can be learned that will be useful for improving management practice by means of policy recommendations and measures.

In the initial stage of planning any project, some perception of the dynamics of development is required. The project should have an identifiable function and role within the macro-framework of the larger development program of which it is a part--in the present instance, Indonesian transmigration. It should also contribute to the attainment of objectives conceptualized more generally in the context of regional and national development. The social and economic benefits of the directed activity should be readily discernible.

Another important factor to consider is the readiness of decision-makers to accept the worth of a proposed operation, as measured by their participation in the complex process of policy analysis and formulation. The same willingness should be evidenced in the actions of other agencies involved, when their support is required for achieving the project's goals.

In the next stage of the project cycle, namely, design and appraisal, planning should be considered from an integrated viewpoint. The various elements of activities functioning to support the project's product-goals should be programmed in harmony if they have to be performed by several different agencies. The working relationships among participating agencies have to be clearly delineated. The experience of planning in Indonesia has shown that consistency and coordination in project implementation are more likely to be assured if first the budgetary components of project activities are woven into a harmonious pattern. The primary task of coordination will then be effectively achieved through this control of budgetary resources.

Planning can be more effective if all components are integrally reflected within a single Project Form, such as the DIP (Daftar Isian Proyek) described in Chapter IV. Appraisal may then be undertaken from the vantage points of economics, technical feasibility, marketing potential, financial costs, resource availability, social conditions, cultural impact, organizational structure, and management practice.

If possible, cost-benefit analysis should be employed in determining the criteria for sound project implementation as seen from alternative positions. Appraisal techniques for application in special fields are now being developed to facilitate planning and implementation. Considering the scarcity of qualified experts in a country like Indonesia, such techniques are frequently best applied through the medium of technical assistance provided by a donor country. Encouraging the use of these techniques is all the more important when one recalls the scarcity of local resources and the need to maximize their utilization.

In Indonesia, the national system of planning and implementation has been characterized by one very significant feature. The appraisal and ultimate approval of a project are the joint responsibility of the National Development Planning Agency and the Directorate General for Budgeting. The planning agency, for its part, undertakes to review the project's potential in contributing to macro-development as defined by nationally recognized needs and priorities. The budgeting office, on the other hand, views the proposal with an appreciation for the constraints imposed by possibly limited financial resources.

In the next stage of project organization and implementation, the focus and degree of coordination pose a very critical problem. Coordination at the project management level should be endorsed by and integrated with those forums or bodies maintained at higher levels for more effective interaction, so that a concerted effort can be realized in the actual implementation of a project. Physical activities at the project site need to be coordinated with the disbursement or expenditure of project funds. The budget allocation process should always accord with official stipulations. Budgeting procedures must be continuously improved toward providing more flexibility without relinquishing fiscal control.

Monitoring and control of project operations constitute an essential part of the entire management process. At present, the practices followed in Indonesia to support these functions still require refinement. Basic procedures that have yet to be incorporated include effective reporting, benchmarking, problem solving, and follow-up. The quarterly reporting system now employed in Indonesia is being subjected to continual revision for further improvement.

In project management, there is a significant difference to be observed in the performance of a traditional type of leadership compared to that of a more developmental type. Any program of managerial training should give serious consideration to this factor.

The final stage of the project cycle ordinarily involves handing over or transferring responsibility to normal government administration or, in some cases, to public enterprises or corporations. Standing orders in the form of established procedures should be made sufficiently clear that a vacuum of authority or wastage of physical output from the project may be avoided. Evaluation of the completed activity can provide useful information in formulating policy recommendations and measures for improved management of the project in the event that it is continued or expanded, or for application to the implementation of still other projects.

Strategies for Managing Development Projects

As a way of summarizing the principal lessons learned from the Way Abung transmigration project, the following strategies for managing development projects are outlined for the reader's further consideration.

(1) The formulation of project goals and targets should take into full account the feasibility of operational plans in anticipation of their implementation. The setting of objectives should also be done in conformity with national development plans in force at the time.

(2) The organizational structure of a project should provide for all activating elements of on-site management.

Coordination of the various project components performs a very vital function, because a project generally depends on a package of integrated activities for its successful completion.

(3) Managing a project involves the expert mobilization and utilization of varied resources--human, natural material, and financial--all within a pattern of harmonious relationships. Administrative systems, comprising procedures and other essential components, should be developed to provide the requisite infrastructure to accomplish the project goal.

(4) The function of leadership should be oriented toward the developmental type, that is, being innovative and creative. A project that contributes to the national development of an emerging country like Indonesia is, by its very nature, a vital ingredient in the comprehensive effort of planned social change.

(5) The linkages between management and its clientele should be monitored continually in order to maintain maximum communication and interaction. In a transmigration project, the successful attainment of project objectives will depend ultimately on the motivations and attitudes of the various client groups, namely, the potential migrants in Java, the actual settlers in Sumatra, and the local populations in the settlement areas.

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