

## Welfare Analysis and Economic Potential of the Second Generation Involuntary Resettlement in Koto Panjang

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### Abstract

The transfer of households due to dam construction causes households to experience changes in their livelihoods. In general, first generation households experience an increase in welfare compared to the period before moving and to the time they first move. This paper aims to analyze the welfare conditions of the second generation of households and how they deal with their future life. This study uses quantitative and qualitative analysis to a sample of 360 Koto Panjang resettlement households in 12 villages. The results showed that in general, the second generation, especially those from non-wealthy families, experienced a decline in welfare that was due to not having a house and compensated land as capital to improve welfare.

**Keywords:** first generation, second generation, welfare, resettlement

### Introduction

Involuntary resettlement is a government program that aims to reconstruct the lives of displaced households due to the construction of public facilities. In Sumatra an involuntary resettlement program was carried out on 4886 households in 12 villages that were displaced due to the construction of the Koto Panjang dam located on the border of Riau and West Sumatra Provinces. As a result of the construction of the dam, households must move gradually, because their location will soon be flooded and must be emptied. Household transfers began in 1993 to 1995. Moved households felt difficulties and difficulties in their lives from the beginning of the transfer, from 1993 to 2005. (Yasuyuki, 1998; Akbar, 2004; JBIC; 2004; Wiranata, 2010; Uslaini and Purwanto, 2015). Therefore, to overcome this condition the government must restore the condition of households that were moved back as before even better by carrying out involuntary resettlement programs (Perera, 2014).

Household suffering began to diminish after 10 years of involuntary resettlement programs. The results of Karimi et al (2005) study of households participating in the involuntary resettlement program at Koto Panjang showed that there were a number of households in Kampar Riau District increasing their welfare, however there were also households in the Lima Puluh Kota Regency whose welfare had decreased compared to before moving. Households that experience a decline in welfare are generally farmer households. This condition occurs because these households lose access to agricultural land, even though agricultural land is the main source of household life, so the loss of land causes farmer households to have no livelihood.

The results of the research by Karimi and Taifur (2013) show that involuntary resettlement programs in Koto Panjang have a positive impact on the welfare of the population. For example, households in the Koto Masjid village in Kampar District experienced an increase in welfare. Households in this area experienced a significant increase in income compared to their time in their home region (before moving). This condition applies generally to almost all villages that are involuntary resettlement programs.

New problems arise, when there are households who have children (second generation) will carry out marriage or build new families. This new family of displaced households is known as the KK fractions (Witrianto, 2014). KK fractions do not get land and buildings from the government, because they are not included in the category of households that are moved but are members of the household involuntary resettlement. KK fractions began to feel difficulties in their new lives. For KK

denominations that have parents who have a lot of wealth and assets are certainly not a problem, but for KK fractions that have parents who are not rich, of course land and building issues become new problems for them, although for a while they can ride on the home of their parents, but in the long run this condition will be a big problem for them.

The problems faced by KK fractions have not been much researched and discussed by previous researchers. In general, research on involuntary resettlement focuses more on the welfare conditions of first generation households (households that experience immediate displacement), whereas new problems that arise in the second generation are far more complicated, because second generation households known as KK fractions have difficulties because it does not accept land for housing and agriculture. So that in the long run it will cause new problems even worse in the first generation. For this reason, it is necessary to examine the welfare conditions of the second generation and what potential they have to survive and improve welfare.

## Methods

This research is a combination of quantitative and qualitative research. Household welfare is measured by income indicators. If household income above the Regional Minimum Wage means a prosperous household and vice versa. While the economic conditions and economic potential of the second generation (KK fractions) are analyzed qualitatively based on interviews using questionnaires.

The number of samples used in this study was 360 samples which were evenly distributed in 12 villages in Koto Panjang. See table 1.

Table 1 Number of samples and location of research

No	Villages	Male	Female	Total
1	Tanjung Balik	10	20	30
2	Tanjung Pauh	10	20	30
3	Koto Mesjid	24	6	30
4	Pulau Gadang	19	11	30
5	Tanjung Alai	19	11	30
6	Batu Bersurat	21	9	30
7	Koto Tuo	18	12	30
8	Pongkai Istiqomah	25	5	30
9	Muara Takus	20	10	30
10	Gunung Bungsu	16	14	30
11	Mayang Pongkai	22	8	30
12	Muaro Mahat Baru	16	14	30
	<b>Total</b>	<b>220</b>	<b>140</b>	<b>360</b>

## Results

The amount of household income is calculated based on the livelihood/ main job received by households per month. The average household income of research respondents in Koto Panjang is 2,4 million rupiah per month.

Koto Panjang's household income of IDR 2.4 million per month is generally above the District Minimum Wage (DMW). Lima Puluh Kota and Kampar Regencies have 2016 DMW of IDR 1.800.725 and IDR 2.138.570, respectively. Thus, these results indicate that in general or the average population or community in Koto Panjang is prosperous.

Household income is also dominated by income groups of IDR 1.500.000, - IDR 3.000.000. Table 3 shows that the distribution of the average income of the respondent's household is dominated by income groups of IDR 1.500.000 –IDR 3.000.000

Table 2 average income per household month

<b>Villages</b>	<b>Income per month (IDR)</b>
Tanjung Balik	1.555.172
Tanjung Pauh	1.535.714
Koto Masjid	3.177.656
Pulau Gadang	1.888.462
Tanjung Alai	1.483.333
Batu Basurek	1.703.333
Koto Tuo	2.415.000
Pongkai Istiqomah	1.959.355
Muara Takus	2.025.862
Gunung Bungsu	1.863.333
Mayang Pongkai	3.975.000
Muaro Mahat Baru	5.339.286
Rata-rata	2.410.126

Source: Survey Data Processing, 2017

Table 3 Average Income Distribution per month Respondents

<b>Income per month (IDR thousand)</b>	<b>Percentage</b>
<500	7,22
500 – 1000	18,61
1000 – 1500	21,67
1500 – 3000	31,94
3000 – 4500	8,06
>4500	11,39

Source: Survey Data Processing, 2017

The survey results on household income indicate an increase in household income while indicating that there is an increase in community welfare, because one indicator to explain welfare is household income.

Table 4 Satisfaction of Respondents to Previous Conditions Based on Income Groups

The present situation is compared to the initial conditions in this village								
Satisfaction (%)	Income ( IDR thousand)						Total	
	<500	500 – 1000	1000 – 1500	1500 – 3000	3000 - 4500	>4500		
Less	2	2	3	3	0	0	10	
Same	2	3	3	4	0	0	12	
More	5	14	15	25	8	11	78	
<b>Total</b>	<b>9</b>	<b>19</b>	<b>21</b>	<b>32</b>	<b>8</b>	<b>11</b>	<b>100</b>	

Table cont...

The present situation is compared to the old village

Satisfaction (%)	Income ( IDR thousand)						Total
	<500	500 – 1000	1000 – 1500	1500 – 3000	3000 - 4500	>4500	
Less	2	3	3	3	0	0	11
Same	1	3	3	4	1	0	12
More	5	13	15	25	8	11	77
<b>Total</b>	<b>8</b>	<b>19</b>	<b>21</b>	<b>32</b>	<b>9</b>	<b>11</b>	<b>100</b>

What are the conditions now

Satisfaction (%)	Income ( IDR thousand)						Total
	<500	500 – 1000	1000 – 1500	1500 – 3000	3000 - 4500	>4500	
Less	2	3	3	2	0	0	10
Same	1	3	4	5	1	1	15
More	3	13	15	25	8	11	75
<b>Total</b>	<b>6</b>	<b>19</b>	<b>22</b>	<b>32</b>	<b>9</b>	<b>12</b>	<b>100</b>

Source: Survey Data Processing, 2017

Table 4 shows that their current condition of well-being is compared to the condition of welfare at the beginning of the time they moved, so the respondent answered generally that it was more prosperous now. This answer is dominated by respondents who have an income of 1.5 to 3 million rupiah.

Furthermore, from the results of this study found the results that the second generation (fractions KK) in almost all villages experienced the same problem, namely the problem of land for residence. This condition occurs because the KK denomination does not get a land or residence compensation. For family members who have parents who are not rich or poor, this is a problem. This is similar to the findings of Witrianto (2014).

Furthermore, in this study it was also found that the economic potential of the second generation had not been explored well as capital to survive and improve welfare, this happened because the respondents interviewed were their parents (first generation). Therefore, a deeper study is needed on the potential of the second generation of household economy and what has been done or the government program to improve the welfare of second generation households.

## Conclusions

The welfare of the first generation had increased since their inception. At the beginning of the transfer, households experienced difficulties so their welfare decreased. But after the next 20 years their lives have become better than when they have not moved. New problems arise after the second generation households got married and land as a place of residence does not exist. For those who do not have sufficient funds or money, this condition becomes a big problem, even their parents cannot help. For this reason, the government needs to pay attention and promote a policy recommendation.

Furthermore, empowerment of the second generation households is very important to make them able to survive and improve their welfare. The economic potential of the second generation household becomes a key factor to develop. Hence, a comprehensive study of welfare and the economic potential of the second generation become urgent to be conducted.

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