

Patterns of Livelihood Changes of the Displaced Rural Households in the Vicinity of New Yogyakarta International Airport (NYIA)

R. Rijanta¹, M. Baiquni¹, R. Rachmawati¹

¹Faculty of Geography, Universitas Gadjah Mada
Yogyakarta, Indonesia

Corresponding email: rijanta@ugm.ac.id

Abstract—The development of NYIA (New Yogyakarta International Airport) has partly led to displacement of rural households from their villages of origin. This is also followed by tremendous changes in their livelihood as a consequence of the discontinued access to various livelihood resources in their former place of residence. The paper discusses patterns of livelihood changes and mobility among the affected households through an assessment of their portfolio of livelihood assets, access and activities as well as their dynamics due to the land eviction. It is important to note that their livelihood is also determined by the financial compensation that have been disbursed since the mid of 2017. Some households have improved and sustained their livelihood with the financial compensation they received, but some may have failed to succeed with new circumstances. The paper would be concluded by an identification of the socio-economic background of the performers and non-performers in livelihood changes as well as a recognition of the most successful track of livelihood transformation.

Keywords— *access, activities, financial compensation, livelihood assets, livelihood changes*

I. INTRODUCTION

Yogyakarta Special Province in Indonesia is among the provinces with a strong need for an infrastructure development. As the second most important tourist destination in Indonesia, Yogyakarta suffers from its low capacity but over utilized international airport. Capacity of the existing airport is 1.4 million of passengers/year, but it has to accommodate 7.2 million of passengers/ year in 2016, far exceeding its normal capacity [1]. A new international airport is now under construction utilizing *Sultanate Grond* and *Pakualaman Grond* on the coastal region of Kulonprogo Regency. At the same time, regional development policy of the Yogyakarta Provincial Government is directed towards its coastal regions, following the spirit of shifting

development priority from traditional-agricultural based towards a maritime and trade based development (*among tani, dagang, layar*). This is also in coincident with the national agenda of development of the south arterial roads initiated by the Central Government since 2010, also in order to counter balance the rapid development on the north coastal region in Java Island.

Following the development of the arterial road, many other projects (especially iron ore mining, shrimp farming, arterial roads, railway, TOL roads from NYIA to Borobudur Temple) are now to follow. These infrastructure development projects have to procure lands for the construction and from this point emerges socio-economic, political and cultural issues at the local level. Greater majority of lands in the project spots are legally owned by the *Sultanate of Yogyakarta* and *Paku Alaman Duchy* that are known by *Sultan Grond* and *Paku Alaman Grond* respectively and smaller parts of lands are legally owned by the local rural dwellers. Many of the locals have received substantial financial compensation for their lands, but there is a question on their capability in sustaining their financial resources and to anticipate the emerging opportunities from the development of the infrastructure. Some 4.146 Trillion IDR [2] is going to be spent for the compensation to the people who occupy the lands. From our in-depth interviews with key persons in the affected villages, the compensation received by households in most of the cases is ranging from 3 - 4 Billion IDR. This is a huge amount of money in comparison to the local minimum wage in the region of less than 2.0 Million IDR per month. Thus, it is very important to understand how the local people utilize such large amount of money and what is the prospect and sustainability of their livelihood in the near future when the airport is in operation in 2019. The paper aims at presenting some preliminary findings, especially on the

livelihood and mobility changes of the affected households as a part of our research on transformation of rural space in the fast growing coastal region of Yogyakarta Province.

II. LIVELIHOOD CHANGES

Land eviction for the development of the New Yogyakarta International Airport has excluded farm laborers and landless population in four villages from their livelihood sources which were mostly land based. Their access to lands and other land-based resources have been discontinued as the lands are used as the spot for the construction of the new airport. Access to the lands and other resources as well as farm job opportunities have disappeared since then. This group of households are relocated in a government housing scheme for free in Kedundang Village some 3-4 kilometers away from the new airport. Greater majority of this group of households maintain their works as farm laborers and casual workers but with greater range of daily mobility as they have to obtain works elsewhere. Job opportunities as farm laborers is abundant but seasonal in nature that multiple combination of jobs is the rule rather than exceptions. Many of them involved in farm laboring in combination with non-farm works such as construction work, trade, transportation and other casual works. Livelihood changes among this group of households is relatively simple, involving some diversification of the household economic resource base and more intense and farther mobility of the household members [3].

In contrast to the landless, the landed households commonly received huge amount of financial compensation for their lands and show greater dynamics of change in their livelihood. Their loss of (part) their lands is compensated by their new capability to purchase various capital goods and amenities that are not only consumptive but also productive in nature. Many international experiences show that household expenditure from financial compensation are falling into consumption and luxurious goods that do not support the idea of sustainable use of the compensation. Thus, many of the affected households fall into new problems of poverty and unemployment [4],[5],[6],[7],[8],[9].

From the perspective of sustainable livelihood approach, many of the rural households in the affected villages are now capable of strengthening their physical assets such as houses, vehicles, entertainment devices and mobile phones. The households also purchase lands elsewhere as a means of speculation or as substitute to the evicted lands. Many households have purchased lands far away from their villages (especially in the city) in expectation for huge profit in the very near future. The newly purchased lands are mostly kept fallow or cultivated by others through sharecropping mechanism as there is no pressure for producing food crops. Or, many of the lands purchased are not ready for farming as they are located in the city and not for agricultural purposes.

Some locals have purchased substitute lands in the surrounding areas of the NYIA. Some of the better-off households have been investing on the construction of new houses and rooms for rent in the vicinity of the airport. They have a strong expectation that when the airport is operated in 2019 the demand for such houses and rooms for workers would grow that they can fulfill it in due time. Many cases of land purchases in the vicinity of the project have led to a tremendous increase on land price especially those located within a radius of 3 kilometers from the airport construction spot. The land purchase moratorium announced by the local government seem to be ineffective to stop land transfer among people in the affected areas.

Sizeable number of rural dwellers obviously purchase new cars for both personal use and online taxies. The payment of compensation has led to the purchase of more luxuries such as cars, game and entertainment sets, smart phones and other electronic devices. The motivation to purchase cars are varied from simply from bringing children to schools to investing on public transport provision. Under the booming of ICT based transport provision, the availability of financial resources from land compensation has been invested on cars for public transportation. The flexibility of commitment in the operation on ICT based transport services has attracted some households to invest on cars as at the same time the vehicles can be used for domestic purposes as well. Only one household reported investment on buses for public transport provision.

The project also contributed to the improvement of human capitals through the provision of various vocational training to anticipate the emerging economic opportunities in the near future when the new airport is in operation. Similar training related to the operation of an airport is also recently offered by the local government of Kulonprogo Regency to the local. This is aimed at preparing the human resource in capturing the emerging employment opportunities in the future. A tailor-made training has been conducted several times by the project initiator to prepare the local human resource in anticipating the future employment opportunities. There is a strong expectation from the participants of the vocational courses to be employed by companies or business entities located in the airport and its surroundings.

It is very different from the experiences in Indonesia [10], [11], [14]. and elsewhere [4],[5],[6],[7],[8],[9], the disbursement of financial compensation in the research area has remarkably increased financial capitals (saving, share, bonds, insurance) of the households in the affected villages. It seems that the affected households in the research area have been well prepared to manage their financial resources after the disbursement of the compensation. It is important to note that many households keep the money in their bank accounts or invest it in share, bonds or insurance that ensures the money would give them sustainable benefits. Thus, many of the locals are now depending on passive incomes from

such investments while they are waiting for the emerging opportunities to invest on more profitable fields when the airport is in operation.

Experiences from various parts of the world has demonstrated that many project-affected people have not been able to sustain their financial assets. They have been trapped in consumptive rather than productive expenditures [4],[6],[7],[9]. Such situation may lead to an unsustainable management of their assets, that they are simply displaced from their home villages and at the same time are excluded from emerging economic opportunities in their villages.

The local people are also benefitted from the availability of temporary jobs in construction. Although the construction companies have their own construction workers form elsewhere, there is also demands from the local to participate in construction works. Few of the locals have been working in the construction of the airport on a contractual basis, rather than a permanent appointment. The construction of the NYIA has led also to the emergence of new jobs emanating from investment on various kinds of non-farm activities.

Diversification of economic activities in the affected villages are mainly related to the establishment of new business stalls along the main road. Many households who live along the main roads have initiated new non-farm business or developed further their existing business by utilizing the compensation [16]. The most notable business established along the main road are related to the provision of goods and services for travelers. None of them are addressing the complementary business to the airport services.

A new livelihood strategy found in the research villages is the dependency of the local people on interest from saving deposit or profit of bonds as a passive income. Given the huge amount of financial compensation received, many locals have been able to satisfy their immediate needs such as house renovation, purchase of vehicles and Hajj pilgrimage. But, they also save another part of their money as source of passive incomes. This is the most conservative way of sustaining the benefit of their assets [13].

Apart from showing an optimistic picture of better livelihood of the majority of the affected households as picture out in the above discussion, there are also some socio-cultural problems faced the affected households. Among important socio-cultural problems are the split or dismissal of households, discontinued neighborhood ties, adaptation to new environment, resistance from the host villagers, and detachment from former social ties.

Some households have been dismissed as the head of households are elderlies who feel too old to begin a new life by constructing a new house, so they prefer to join the households of their children and divide their money to their children. The problem of discontinued neighborhood ties occurred in the case of a household has to move to the relocation spot as its lands has to be used for the construction of the airport. The well-established

neighborhood networks in their old home village can not support their livelihood in the new environment. They have to start adapting the new environment in the relocation site which are not always welcome them. Resistance of the host villagers to accept the new settlers and the lack of (previously available) social organization (such as *RT*, *Kelompok Tani*, *Arisan*, *Pengajian*, *Organisasi Massa*) have made new life in the relocation house challenging. The important key to the function on various social organization seems to be the membership of the new settlers as new villagers in the relocation house. As soon as they are administratively part of the new village, they are socially accepted as a part of various social organization in the new village. Thus, the local authority has to be able tackle this problem very soon that successful settlement of the affected households can be achieved in all aspects.

Summary of livelihood change among the affected households is provided in the following table.

Table 1. Patterns of Livelihood Change Among Affected Households in Four Villages of Kecamatan Temon, 2018

Forms of Livelihood Changes	Examples from the Research Area
Extending economic base	Land purchase in the same village Investing on new buildings Purchasing new vehicles
Intensifying use of assets	Renovating existing building for business Purchasing farm tools/machineries
Diversifying use of assets	Establishing new business Involved in new employment
Depositing financial assets	Taking regular benefit from savings, bonds, shares and insurance
Investing in new activities	Constructing new houses/room for rents Purchasing new buses as public bus
Speculating for compensation	Purchasing lands in the city for future benefits
Extending spatial mobility	Increasing mobility for works beyond the villages

III. MOBILITY PATTERNS

Population mobility in the research area is dominated by local movement from home to farms, local market and nearby city of Wates & Temon to obtain various services and goods. Only few people are commuting to larger city such as Yogyakarta or Purworejo in Central Java for works or business. Motorcycles are the most convenient and common means to transport people, goods, farm inputs and agricultural commodities. Recent trend after the disbursement of financial compensation shows the increase in the use of private cars among the better off. Many of the rural households purchase private cars from the financial compensation [3].

There has been an increasing mobility among the better of households since the payment of compensation and construction of the airport, especially due to the availability of new means of transport (especially motorcycles and cars) and the need to find jobs beyond

villages for few farmers who have become landless. The affected poorer households are relocated in government houses for free at Kedundang Village some 3-4 kilometers away from their villages of origin. Every poor household who joined this government relocation received a fully furnished landed house from the government for free. Mobility of the poorer has been very high since the pre-construction period as they are involved in many kinds of farm laboring, and collecting water hyacinth and other casual works located in the village or elsewhere. The poorer households also experienced higher mobility due to the availability of vehicles as the poor can also afford to buy more motorcycles from the money they received from the Pakualaman Duchy and from their relatives who received a huge amount of compensation (*tali asih*) or a gift [10]. It is important to note that the increase of mobility of the poor is due to improvement in the availability of means of transport, especially motorcycles. Many among the poorer households spent the compensation on motorcycles as there is awareness that they have to maintain a relationship with the old villages for works as farm laborer or casual workers.

Other group of poorer households seek for employment and business opportunities to nearby city of Wates or elsewhere. It seems that their dependency on local resources and economic opportunities in the village of origin has been compensated by increasing mobility to other parts of the region. Majority of the poor households maintain their works as farm laborers and other casual works but with farther range of operation. Only few (especially the young) are involved in the provision of ICT based public transport services using motorcycles (Gojex, Grab, Uber).

Greater majority of the better off affected households stay in their houses as only a small part of their lands is used for the airport development. But from this land eviction they received huge amount of compensation as an implementation of new scheme of land procurement (*ganti untung*); from Rp 2 billion to Rp 5 billion or about 140,000 US\$ to 350,000 US\$ on average, depending on the size and categories of lands. Their mobility has been high since the pre-construction period as they are involved in various activities beyond their villages.

Their farms are mostly operated by farm laborers through rent or sharecropping mechanisms, while they are working in non-farm pursuits. This group of households purchase more cars, and many are travelling to Mecca for Hajj and Umrah pilgrimage after the disbursement of the compensation.

Generally speaking, there is a strong tendency of increasing population mobility for jobs elsewhere. Greater availability of personal vehicles, partly purchased with the compensation, has recently led to more mobile rural population as a response to the regional dynamics of the coastal regions of Yogyakarta Province as a spot of concentration of large-scale investments. The regional development policy of the provincial government is aimed

to address the coastal regions of the province at the top priority. At the same time the central government also pay special attention to the development of infrastructure.

IV. CONCLUSION

The construction of NYIA will most probably lead to stronger regional economy through improvement of access and mobility of passengers and goods as well as air transportation security and comfort. At present the mobility of the people has been increasing due to greater control over various means of transports, especially motor cycles and cars. The project also leads to rural economic diversification at least temporarily through the provision of construction works. However, some issues related to the mobility and livelihood of the affected population need close monitoring to ensure that the affected population will be able to sustain the benefit of compensation as well as to access various economic opportunities emanating from the operation of the airport.

The construction of the NYIA and disbursement of financial compensation to the affected households have brought a tremendous change especially towards the abundance of financial assets controlled by the affected households. The discontinuity of access to land resource assets for the affected households have been compensated very satisfactorily through the new scheme of compensation called *ganti untung* or profitable compensation. Many of the affected households have been able to satisfy their immediate needs with the available money and at the same time a lot more money is still available for investments to sustain their livelihood.

The affected households have changed their livelihood through various mechanisms by utilizing their livelihood assets (more especially financial resources) and livelihood access (especially social capitals) in forms of various activities to sustain their livelihoods. There are at least seven types of changes in their livelihood activities after the disbursement of financial compensation since early 2017, namely: (1) extending household economic base, (2) intensifying the use of available assets, (3) diversifying the use of available assets, (4) depositing financial assets in various financial institutions, (5) investing in new economic activities (6) speculating for financial compensation, and (7) extending the range of geographical mobility.

Among the affected households it can be identified four different groups of investments with three different prospects of their efforts in managing financial resources. **First**, greater majority of the affected household have invested along the main road in forms of buildings for various economic activities especially in the service provision to road users. Thus, they expect to capture consumers emanating from the increase of traffic along the road as the airport is operated in 2019. Their business is not only directly related to complement the immediate need of the airport but also to cater the needs of other

road users. **Second**, few households invest on business that directly related to the operation of the airport, i.e. purchase of buses for transportation services, purchase of cars for taxi services and construct houses and rooms for rents to anticipate the need for housing for those who work in the airport. **Third**, investments on land purchase in the city or in the surrounding villages as a means for speculation to sustain the benefit of their financial resources, while at the same time expecting emerging opportunities for other investments. **Fourth**, investments in forms of saving, share, bonds and investments considered to be the less risky investments for the most common households in the research area. This investment may give them regular and passive incomes with a minimum risk. The incomes gain from this kind of investment for the average affected households is much more above the local minimum wage.

ACKNOLEGDEMENT

This paper is a part of our research on Rural Space Transformation in the Fast-growing Coastal Region of Yogyakarta Province, financed by the Ministry of Research and Higher Education of the Republic of Indonesia through the Institute of Research and Community Services, Universitas Gadjah Mada 2017-2019. Special thanks go to Debora, Desi and Aziz our field assistants, whose efforts in data collection, analysis and presentation made this publication possible. Our sincere gratitude goes to Mrs. Andri Widayanti for her secretariat supports.

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