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“Competition for Resources in a Changing World:  
New Drive for Rural Development”

## Implication of Migration for Family Welfare and Rural Development in East Java, Indonesia

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### Abstract

Migration is a reaction to economic imbalances and decision making involves a negotiation of preferences, interests and alternative strategies. In Indonesia, international out migration flows still continue to increase in the future due to limited job opportunity. Whereas rural to urban migration provides a strategy for rural households to allocate their labour resources among areas to reduce risk and increase their income.

This paper aims to identify and analyse the impact of rural to urban and international migration for family welfare and rural development in Malang Regency, East Java Province. It helps to identify factors which are essentially for design of policies and programs aiming to promote rural development.

The development of villages in Indonesia aimed at improving community welfare and decreasing the number of poor households. The main problem is to cope with the splitting of development into various sectors. In many cases, the development in land exploitation overlaps with other claims and interests.

In micro analysis, respondents spent the biggest part of the remittance to buy land, motorcycle, or to build house so that the share for educational expense tend to be small. Econometric result also shows the effectiveness of government's policy; those who received the government's aid tend to have big share on basic needs. Family who possessed a quite large land had problems with water because they lived located in a high place that clean water and well were difficult to find.

In macro analysis, the large number of schools had no effects to the elimination of poverty; it brought negative influence instead. A short-term subsidy from government that was given to each school had not been successful in lifting the people from poverty. The poor also had no access to the credit yet since the credit seems only given to those who would able to pay. The results shows the village's big dependency on the government. The development of village, which aims to the improvement of growth by increasing capital and social access, would lower the chance of migration.

**Keywords:** Family welfare, Indonesia, migration, rural development