



Tropentag, September 14-16, 2010, Zurich

“World Food System —
A Contribution from Europe”

The Influence of Land Use and Credit Access on Rural to Urban Migration. a Case Study in Malang Regency, East Java, Indonesia.

WILDAN SYAFITRI¹, BEATRICE KNERR²

¹*Brawijaya University, Indonesia and University of Kassel, Germany, Department of Development Economics, Migration and Agricultural Policy, Germany*

²*University of Kassel, Department of Development Economics, Migration and Agricultural Policy, Germany*

Abstract

East Java as one of the national granary has a very significant role to contribute to food security in Indonesia. Agricultural land in East Java is declining along with the increasing use of land for non-agricultural activities. Whereas the land ownership is a most important factor in increasing agricultural production, population growth also led to polarisation of agricultural land, and to resulting inefficiencies of agricultural activities. Moreover, the structural transformation from agriculture to manufactures and service sectors entailed migration to urban centres and to abroad. Migration is a balancing process in which surplus labour gradually withdraws from the rural sector to meet the manpower needs in the urban sector. In East Java, it is a strategy for rural households to allocate their labour resources among different areas, to reduce the income risk and to increase total income. However, in the longer term, under the given conditions these strategies may cause a decline in agricultural production resulting from low investment in the farm sector. If this situation continues, food security in East Java will meet serious problems.

Agricultural sector performance may be enhanced by better credit access, as credit availability may increase investment in farm activities or related business in the rural areas. It can lead to higher productivity in the agricultural sector and thus increasing household income.

This study analyses the influence of access to land and credit on migration decisions. A survey among migrants or non migrants for primary data collection was carried out in Malang, East Java, Indonesia. For the data analysis a Probit model was used to investigate the factors that determine the probability of household head's decision to engage in migration depending on mainly land ownership and credit access. The results suggest that land ownership and credit access have a negative and significant influence on the decision to migrate to urban areas. More land and capital imply a higher chance to earn sufficient income to the family needs. The results of the analysis are used to develop some policy recommendations with respect to the land use and credit access and reduction of out-migration from rural areas.

Keywords: Credit access, food security, land use, migration

Contact Address: Wildan Syafitri, Brawijaya University, Indonesia and University of Kassel, Germany, Department of Development Economics, Migration and Agricultural Policy, Steinstr. 19, 37213 Witzenhausen, Germany, e-mail: wildan888@yahoo.com