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“Development on the margin”

Households Migration Decisions in Rural Areas of East Java, Indonesia

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Abstract

Labour migration is a process over which labour withdraws from one region to meet manpower demands in another region. In East Java migration is a wide-spread strategy used by rural households to allocate their labour resources among different areas, to reduce the livelihood risks and increase income.

This research aims to answer the question which factors determine the migration and the household decisions in rural areas of East Java Province. It tests the hypotheses that human capital, physical capital, social capital, government aids, farm characteristic, institutional characteristics significantly influence the decision to migrate abroad and to urban centres.

The New Economics of Labour Migration (NELM) is a theory which explains migration in the context of the decision making of a social group, either the family or the household. Based on this theory, the study which will be presented aims to analyse the determinants of rural-to-urban as well as international migration in Malang District, East Java Province, and, as a result, to identify factors, which are essential for the design of policies and programs aiming to promote rural development.

For that purpose, primary data were collecting in a survey in Malang District by using a structured questionnaire. The survey employed purposive and disproportionate stratified samplings of 360 respondents across 12 villages in the kecamatan (sub-district) Wagir. In addition, secondary data were collected from various statistical reports, in particular the Countryside Potency Data of East Java Province which came out from a survey carried out by the Central Bureau of Statistics in 7,677 villages in 2005. The data analysis was divided into a descriptive and an econometric part using probit and tobit estimation.

The study concluded that the strength of social relations and being a woman are factors which have a significantly positive influence on the probability to migrate abroad whereas marital status and numbers of children are not significant factors in the migration decisions. This study also proved that institutional factors *i.e.* market access, credit access and infrastructure specifically water resources have positive effect on rural households for detaining migration.

Keywords: Households, migration, rural areas