

## CHAPTER I

### INTRODUCTION

#### 1.1 Background

The issue of involuntary resettlement was becoming a hot issue almost 100 years ago. Involuntary resettlement occurs because of the massive project of the government. Precisely, in the developed country, the involuntary resettlement of built a dam was nearly obsolete where people generally enjoy an adequate supply of water and electricity. In developing countries, built a dam was a symbol of modernization, and dams often depicted on monetary notes as a display of national pride.

In developing countries, water demand for energy production, irrigation, and domestic use increases over time as the economy and population increase. Building a large dam is an action to overcome this condition. However, the construction of dams can create effects on the social, environment and also the economy of the country. The development of dams requires many funds to get started. Then, the construction of the dam caused involuntary resettlement to occur.

Karimi et al (2009) mention that dam construction in Koto Panjang, Kampar relocated about 800 families (450 for Tanjung Balik and 350 for Tanjung Pauh villages) in 1993 to the present villages. They relocated are about 15 km from the old villages. Koto Panjang dam constructed in the middle of Sumatera Island, on the border between the provinces of Riau and West Sumatera. The resident of eight villages in Riau and two villages in West Sumatera had to relocate because of dam construction.

After settlers moved, they will face a large amount of adjustment because they live in a new place. Cernea & Bank (2016), divide eight risks that can encourage the impoverishment of involuntary resettlement processes, such as landlessness, unemployment, homelessness, marginalization, increased morbidity and mortality, food insecurity, loss of access to shared property, social disarticulation and different impacts.

Andrianus et al (2018) believe that compensation is an urgent requirement to improve household welfare in involuntary resettlement. For example, in the Koto Panjang case, the government provides three types of payment for resettlers. First is rubber plantations, second is oil palm plantations, and third is cash. This compensation is expected to improve the standard of living of resettlers in new places.

Infrastructure is one of the crucial indicators that can improve the living standards of settlers again. Ngozo et al. (2018) Infrastructure is necessary equipment and structures such as roads, bridges, electricity, etc. that are needed by a country or organization to function correctly. Infrastructure is one of the factors that contribute to economic development by increasing productivity and providing services.

According to Ogun (2010), infrastructure is critical in long-term sustainable economic growth and reducing poverty growth. There are three general theories explained by Ogun; the first is that investment in social infrastructures such as education and health is more relevant for reducing poverty. Second, investment in physical infrastructure can reduce poverty. The last, investment in infrastructure does not affect poverty levels.

In Koto Panjang as a resettlement village, infrastructure was provided by the government when they moved. Such as electricity, roads, houses, and others. In Koto Panjang, two villages that have significantly different infrastructure conditions, namely Koto Mesjid and Pongkai Istiqamah. In Koto Masjid all infrastructure was provided by the government from the beginning because they moved to follow government policies. However, in Pongkai Istiqamah, the government provided infrastructure after they moved to a new place for around seven years. Because of the people in Pongkai Istiqamah move independently and do not follow government policies.

**Table 1.1.1**  
**The Kind of Public Infrastructure in Koto Mesjid**

No	Public Infrastructure	Long (Km)	Amount
1	Road	20.3	
2	Bridges		3
3	Box Culvert		9
4	Water Tunnel		23
5	Drainage	17.6	
6	Electricity		689

Source: Profile Village Data, 2018

**Table 1.1.2**  
**The Kind of Public Infrastructure in Pongkai Istiqamah**

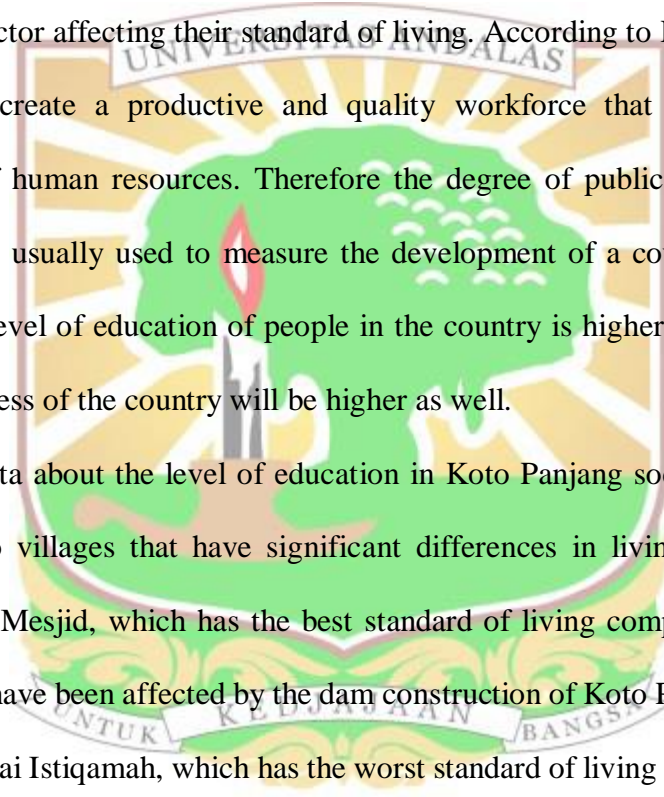
No	Public Infrastructure	Wide (Ha)
1	Sports Field	1,5
2	Government Offices	0,5
3	Public Burial Place	0,5
4	Road	4,4
5	Fishery sector	3,5
6	Electricity Sector	40

Source: Profile Village Data, 2018

This is the data of kind of public infrastructure in two villages in Koto Panjang, which is Pongkai Istiqamah and Koto Mesjid. Each village has a different type of public infrastructure. This kind of infrastructure believes that it can increase the standard of living in Koto Panjang. Because infrastructure can encourage increasing productivity and providing services.

The people in Koto Panjang have different levels of education. This is believed to be another factor affecting their standard of living. According to Reza et al. (2013), education can create a productive and quality workforce that can enhance the development of human resources. Therefore the degree of public education is one indicator that is usually used to measure the development of a country's growth. In general, if the level of education of people in the country is higher, then the level of economic progress of the country will be higher as well.

This is data about the level of education in Koto Panjang society. This data is taken from two villages that have significant differences in living standards. One village is Koto Mesjid, which has the best standard of living compared to the other villages which have been affected by the dam construction of Koto Panjang. The other village is Pongkai Istiqamah, which has the worst standard of living compared to other villages.



**Table 1.1.3**  
**Education Degree of People in Koto Mesjid**

No	Education Degree	Amount
1	No Certificate	60
2	Elementary School	483
3	Junior High School	551
4	Senior High School	467
5	Diploma II	52
6	Diploma III	16
7	Bachelor Degree	61
8	Magister	4

Source: Village Profile Data, 2018

**Table 1.1.4**  
**Education Degree of People in Pongkai Istiqamah**

No	Education Degree	Man	Women
1	Elementary School	94	95
2	Junior High School	61	77
3	Senior High School	72	88
4	Diploma II	1	
5	Diploma III	2	3
6	Bachelor Degree	18	23

Source: Village Profile Data, 2018

From the data above we can see differences in the level education of people in the two villages in Koto Panjang, which have significant differences in standard of living. People in Koto Mesjid has a higher level of education compared to the Pongkai Istiqamah people. Which is most of the people in Koto Mesjid are junior high school graduates, and most of the people in Pongkai Istiqamah are elementary school

graduates. These differences indicated to be one of the factors affecting the standard of living of the people in Koto Panjang.

According to Adam Smith, the capital stock has two effects on the total level of output. The first is the direct effect, where the increase in capital will direct affect the total output. The more inputs used, the more outputs produced. The second is the indirect effect of capital on total output in a form of increased per capita productivity. Where specialization and division of labor encourage increased productivity.

This research will discuss two factors that influence the level of life in cases of involuntary resettlement in Koto Panjang. These factors divided into two types, namely, internal factors and external factors. External factors are infrastructure, and internal factors are education. So, the title of this paper is **“The Effect of Infrastructure and Education to Increase the Standard of Living in Case of Involuntary Resettlement in Koto Panjang.”**

## **1.2 Research Problem**

Based on the background before, there is the formulation of the problems that can take as a research study that can conduct. The formulation of the problem is:

1. What is the effect of infrastructure to increase the standard of living in case of involuntary resettlement in Koto Panjang?
2. What is the effect of education to increase the standard of living in case of involuntary resettlement in Koto Panjang?

### 1.3 Research Objective

Based on the research problem, the writer set the objective of this research as follow :

1. To analyze the effect of infrastructure to increase the standard of living in case of involuntary resettlement in Koto Panjang.
2. To analyze the effect of education to increase the standard of living in case of involuntary resettlement in Koto Panjang.

