THE ROLE OF LAND REDISTRIBUTION CERTIFICATES FOR THE IMPROVEMENT OF COMMUNITY WELFARE IN WEST PASAMAN DISTRICT

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Abstrak

Abstract
Land redistribution of landreform objects was a government program to reorganize the control, and ownership of land in a just manner. West Pasaman Regency is one of the regions that implements land redistribution and encourages the use of certificates as collateral to access capital. There were 871 land redistribution certificates used for collateral in 2009 - 2018 (7.79%). West Pasaman Regency is currently in the fourth position with the highest number of poor people in West Sumatra Province. This study aims to analyze the effect of capital utilization on public welfare. The methods of analysis used were quantitative with surveys and the data analysis technique used was a correlation. In general, the majority (75%) of utilization of land redistribution certificates to obtain loans were related to agricultural activities. The role of certificate collateralization in reducing poverty was indicated by the slight drop of poverty proportion from 12% before the use of land-certificate for obtaining loan to 7% afterwards. The relationship between expenditure before and expenditure after additional capital from land certificate appears significant.

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INTRODUCTION

Land redistribution is a government program to reorganize equitable land tenure and ownership through the distribution of land to the community under certain conditions. Land redistribution activities aim to improve the socio-economic situation of the community by dividing agricultural land fairly and equitably while providing certainty of land rights. This activity is also a form of implementation of Article 33 of the 1945 Constitution, the basic agrarian law (UUPA) and TAP MPR number IX/MPR/2001 on agrarian reform and natural resource management.

According to Waryanta (2016) land reform activities to improve the welfare of the poor through 2 schemes, namely asset reform and access reform. Asset reform is carried out by giving land to people in need, while access reform is to provide access to recipients of asset reform so that they are able to empower their land to improve welfare through access to infrastructure provision, financing, processing, post-production, marketing and distribution. Wiradi (2000) stated that land reform activities that are only in the form of land redistribution are less successful in achieving their goals because many farm laborers who obtain land are unable to cultivate the land themselves due to lack of capital, lack of skills and others so that eventually the land is sold.

Several studies have shown that land redistribution activities can improve community welfare. Land redistribution activities in Kulon Bambang, Sumber Urip Village, Doko Subdistrict, Blitar Regency showed an increase in the income of land redistribution recipients (Isnaeni, 2017b). In another case Soetarto et al., (2007) in a study on land redistribution activities in Mendiro Village, Ngrambe Subdistrict, Ngawi Regency, East Java Province showed an increase in welfare in various aspects within 4 years. Likewise, in the Philippines, the implementation of land reform successfully contributed to reducing poverty among farmers by providing credit (Das, 2008). In South Africa the government implemented land reform aimed at reducing inequality in land ownership and helping rural communities escape structural poverty (Jacobs, 2012).

Several activities are carried out by the government to improve community welfare, for example the Family Income Improvement Efforts (UP2K) program, in Kayuambon Lembang Village UP2K plays a role in improving community welfare (Nurfadillah, 2019). Research Liony Wijayanti and Ihsannudin (2013) showed that empowerment assistance for people’s salt businesses can increase salt production and salt quality. Another effort is the rural national poverty reduction program (PNPM). PNPM is implemented in Teluk Pakedai II Village, Teluk Pakedai District, Kubu Raya Regency to help poor families increase their income (Adnan, 2012). In this study, efforts to improve community welfare are carried out through the role of land redistribution certificates.

One of the factors affecting people’s welfare is spending (Rianto, 2011), while Nurohman et al., (2019) stated that one of the indicators of community welfare is income, consumption, and household expenditure. Economic changes in a society can be measured through per capita income, purchasing power, increased consumption, the amount of capital, the provision of transportation facilities, costs, the amount of savings and spending and trade (Sari & Pratiwi, 2018). There are several indicators of an increase in community welfare, including a quantitative increase in income, qualitatively better family health, and family economic investment in the form of savings (HS, 2012).

People’s welfare can be represented by their standard of living. A community’s standard of living is characterized by a reduction in poverty, a better level of health, the acquisition of a higher level education, and the level of community productivity. Poverty is a phenomenon that is difficult to overcome to achieve community welfare (Nathan & Scobell, 2012). The welfare standards commonly used in Indonesia are quite varied, including those issued by the world bank and the Central Bureau of Statistics (Ramadhan, 2012). According to Rosni (2017) income level has a major influence on the determination of welfare levels.

Research result Kolb and Nelson (2012) explained that the key to the success of agrarian reform in Asia is the strenght of a country to support such activities and be willing to support reform and use all government instruments for the success of agrarian reform. In the article Işcan (2018)
explained that economic theory shows that when landlords demand yields from land tenants, tenants only give suboptimal efforts on the rented land. With the redistribution of land in Japan, South Korea and Taiwan after World War II, structural changes occurred, the impact was not only directly on the agricultural sector, but also the stimulus felt by industry in the country. All three countries undertook land redistribution when their economies were still heavily dependent on agriculture, livestock and the agricultural sector, which absorbed most of the labor force.

Research results Bruce (2016) showed that smallholders accounted for almost 95% of coffee production in Nicaragua as a result of agrarian reform, while in Mexico agrarian reform activities ensured the survival of the smallholder sector held collectively by indigenous groups that make up around 70% of Mexico’s small-scale coffee farmers. Another case example is in Zimbabwe, showing that many smallholders located in the A1 scheme in Masvingo Province benefited from access to an expanded land base, increasing profit that had been just for survival (Aliber & Cousins, 2013).

According to Hebinck et al. (2011) in South Africa shows the sustainability of land reform activities in commercial farming areas as well as in communal areas (e.g. Ciskei and Transkei region in the Eastern Cape). Meanwhile, research by Toit (2013) shows that the implementation of agrarian reform in South Africa is emphasized on compensation and reconciliation efforts by prioritizing distributive justice.

West Pasaman Regency is one of the regions implementing land redistribution activities. During the period 2009-2018, West Pasaman Regency has carried out land redistribution activities totaling 11,140 parcels spread across 7 sub-districts. Ranah Batahan sub-district is the location of the largest number of these activities, namely 4,513 parcels, the implementation of this activity was largest in 2010, namely 2,650 parcels spread across 4 villages, while the smallest number in 2106 was 400 parcels in one village.

Asset reform activities carried out through the land redistribution program have been implemented in West Pasaman Regency. This activity is continued with access reform, one of which is by assisting people who receive land rights certificates to use the certificates as a means of accessing capital.

According to Isnaeni (2017a) redistribution activities do not stop at providing proof of land rights, but are continued by providing facilities for capital, technology, markets, capacity building, management and mentoring. This is so that the land obtained can be utilized optimally, so that it can provide optimal results and improve the standard of living of certificate recipients.

The collateralized certificate will be issued a mortgage certificate as legal evidence that the object is being collateralized. Based on data from the West Pasaman Regency Land Office, the number of redistribution certificates from 2009-2018 that already have mortgage right is 871 fields (7.79%). The additional capital obtained by the community can be used to improve the economy by using the capital for productive activities so as to improve welfare.

Various studies have shown that land certificates can be used as a tool to access business capital. Purnamasari and Hutagalung (2012) in their research on land redistribution activities in Tanjung Bintang Subdistrict, South Lampung regency stated that in addition to being enthusiastically accepted by the community, the implementation of agrarian reform through the land redistribution program also brought changes to the community by utilizing the land redistribution certificates obtained as collateral to access capital to bank. In addition, research Sugiyanto et al. (2008) concluded that one of the public perceptions of certificates is the benefit of certificates that can be used as credit collateral. The two studies above are still based on tabulated data with the topic of discussion in the form of utilization of land redistribution certificates for access to capital. This research examines the utilization of capital obtained which has not been discussed in previous research.

The object of land redistribution activities in West Pasaman Regency is mostly oil palm plantation (BPN, 2020). Additional capital can improve the quality of plant maintenance so that the quality of palm fruit produced is better and farmers get a higher selling price. Capital from access reform activities can also be used to start planting or replanting oil palm plantations, obtaining
quality seeds so that the quality of output is maximized. Better selling prices will improve farmers welfare.

Efforts to improve the welfare of farmers in West Pasaman Regency need to be made considering that West Pasaman Regency has the fourth highest number of poor people in West Sumatera Province (BPS,2019). Based on this description, the research objective can be formulated to analyze the effect of the utilization of capital obtained for community welfare in West Pasaman Regency.

RESEARCH METHODS

The number of respondent samples required was determined from the results of calculations using the Slovin formula. The stratified sampling technique was used for sampling based on basic information including the number of land redistribution recipients per sub district, land distance to the road, land area and Land Value Zone (ZNT) to select a proportional number of samples. The population in this study is the number of land redistribution certificates that have been pledged (871 parcels), so the sample of land redistribution certificates that have been pledged is 90 samples.

Each of these populations is grouped based on the year of mortgage, land value, distance from the road and land area and divided proportionally as shown in Figure 1. In each class the samples are grouped based on the same category of mortgage year, land value, distance from the road and land area. After obtaining the number of each sample class, samples were taken proportionally in each class.

In analyzing the utilization of capital obtained from land redistribution certificate collateral, it can be seen from 2 utilizations, namely:
1. Utilization for agriculture
   For agricultural utilization, a breakdown of the loan utilization was made based on the type of farming stage.
2. Utilization for non agriculture
   For non agricultural utilization, the details of the loan utilization were used, for example, for education, opening a new business, or for consumptive purposes. The proportion of each utilization was compared to see which utilization was more dominant. After that, the changes in
expenditure for each utilization were compared to determine which utilization had the greatest
effect on welfare improvement.

The effect of capital utilization obtained from land redistribution certificate collateral for
community welfare is seen from the aspect of poverty through changes in per capita expenditure.
Monthly per capita expenditure before and after the collateral is analyzed with the poverty line. Per
capita expenditure before collateralization is the value of per capita expenditure at the time before
collateralization and uses the value of the poverty line at the same time to calculate the number of
poor people. Per capita expenditure after encashment is the value of per capita expenditure at the
same time respondent interview and uses the 2020 poverty line value. The percentage of land
redistribution recipients who were poor before the collateralization will be seen to change after the
capital from the collateralized land redistribution certificates.

Correlation analysis was conducted to see the closeness of the relationship between
expenditure before additional capital and after additional capital. Correlation analysis is used to
measure the strength of the relationship between two variables through a number called the
correlation coefficient (r), the value of r is between -1 and 1. The formula for calculating the
correlation coefficient (r) is:

\[ r = \frac{n \sum xi yi - \sum xi \sum yi}{\sqrt{n \sum xi^2 - (\sum xi)^2} \sqrt{n \sum yi^2 - (\sum yi)^2}} \]  

(1)

The categories of correlation between variables are as follows:
0,0 < r ≤ 0,2 : very weak correlation
0,2 < r ≤ 0,4 : weak correlation
0,4 < r ≤ 0,7 : moderate correlation
0,7 < r ≤ 0,9 : strong correlation
0,9 < r < 1,0 : very strong correlation
r = 1,0 : perfect correlation

The significance test of the correlation coefficient (t test) is carried out with the following test
steps:
H₀ : No significant relationship
H₁ : there is a significant relationship
is based on a certain level of significance (α) and the following t-test statistics:

\[ t = \frac{r \sqrt{n-2}}{\sqrt{1-r^2}} \]  

(2)

t : t count
r : correlation coefficient
n : number of data

The conclusion of the test results is to reject H₀ if t count > t tabel, t meaning that there is a
significant relationship between the two variables.
RESULTS AND DISCUSSION

The majority of capital utilization obtained from land redistribution certificate collateral based on Table 1 is for agricultural activities, which is 75%. The dominant utilization for agriculture is due to the fact that the location of land redistribution is agricultural land and one of the requirements for land redistribution certificate recipients is farmers (Sapriadi, 2015). The main livelihood as a farmer causes the capital obtained to be prioritized for farming. In addition, land redistribution activities lead to optimizing the potential of agricultural land.

Table 1. Utilization of Capital Obtained From Collateral

<table>
<thead>
<tr>
<th>No</th>
<th>Capital Utilization</th>
<th>% Utilization</th>
<th>% increase in spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>75</td>
<td>64.04</td>
</tr>
<tr>
<td>2</td>
<td>Non Farm</td>
<td>16</td>
<td>62.33</td>
</tr>
<tr>
<td>3</td>
<td>Agriculture and non agriculture</td>
<td>9</td>
<td>48.4</td>
</tr>
</tbody>
</table>

Source: Primary Data Analysis 2020

Utilization for agriculture consists of purchasing seeds, clearing land, buying land and maintenance. Seeds are purchased for newly cleared land as well as for planting partially vacant land. For land that has not been cultivated, capital utilization is used to clear land and plant it. Some capital recipients use capital to increase their garden land, while maintenance activities are used to optimize land fertilization. This is in line with research by Lumbanraja (2013) that the capital obtained by farmers is used for fertilizers and pesticides.

Capital utilization for agriculture has a greater effect on increasing expenditure than non agriculture. This large influence is because based on the results of interviews with respondents obtained information that the community implemented improvements in the fertilization process. Fertilization to obtain maximum yields of oil palm plantations is carried out once every three months, most farmers have been applying fertilizers only 2 times a year. The community felt an increase in productivity due to optimizing land maintenance. In addition, the utilization of capital to buy new land that already has plants also has a big impact on increasing income.

Utilization for non farm activities is used to open new businesses such as cloting shop, grocery store, coffee shops, capital to become palm fruit agents and to expand businesses. Utilization to open new businesses leads to the expansion of economic activities that enable economic improvement. Utilization for agricultural and non agricultural activities is simultaneously carried out for land maintenance and business development. Business development consists of improving the stall building and increasing the supply of goods in the stall or shop. The average value of expenditure before additional capital is IDR 2.183.333, while after additional capital IDR 3.175.555. Table 2 shows that based on the t test, there is a difference between expenditure before and after additional capital based on the length of the collateralization period.

Table 2. t test expenditures before and after capital increase

<table>
<thead>
<tr>
<th>No</th>
<th>Length of time collateralized (years)</th>
<th>average before (Rp)</th>
<th>Average after (Rp)</th>
<th>t test</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>&lt; 3</td>
<td>2.150.000</td>
<td>2.958.333</td>
<td>-6.563</td>
<td>4.825E-06</td>
</tr>
<tr>
<td>2.</td>
<td>3-5</td>
<td>2.020.833</td>
<td>3.283.333</td>
<td>-13.487</td>
<td>2.072E-12</td>
</tr>
<tr>
<td>3.</td>
<td>&gt; 5</td>
<td>2.277.083</td>
<td>3.203.125</td>
<td>-6.821</td>
<td>1.524E-08</td>
</tr>
</tbody>
</table>

Source: Primary Data Analysis, 2020

The test of the relationship between expenditure before and after the capital increase resulted in a correlation coefficient of 0.86. This value indicates a strong correlation between expenditure before and after the certificate acquisition process.

The role of capital obtained from collateral for community welfare is seen from the aspect of poverty. Poverty is calculated from the value of per capita expenditure compared to the poverty line.
Recipients of land redistribution certificates who were in a poor condition before pledging the certificate were 12% and after the capital decreased the number to 7%.

Assuming cateris paribus conditions, the utilization of the capital can improve the economy so that the amount of per capita expenditure increases, which has an impact on the number of poor land redistribution recipients. This result is line with research by Nasra et al. (2019) that income increases with sufficient business capital, as well as research by Rosmiati (2012) which states that farmer households respond positively to the amount of credit that can increase consumption expenditure. Likewise, land redistribution activities in South Lampung regency have brought changes to the community through the utilization of these certificates to obtain business capital (Purnamasari & Hutagalung, 2012) and land redistribution activities in central Java Province succeeded in bringing an increase in the income of land redistribution recipients (Istiningdyah et al., 2018).

The reduction in the number of poor land redistribution certificate recipients cannot be maximized because the utilization of the capital obtained is not optimal. This requires the role of related agencies to provide assistance or empowerment to capital recipients, for example the plantation office by providing direction for fertilization and good land maintenance or the trade office for the marketing section. The assistance of related agencies is needed so that poor people who receive land redistribution can access credit and have confidence in utilizing the capital obtained (Monsaputra et al., 2022).

In addition to access to capital, the utilization of certificates for collateral is also so that land redistribution activities can provide long term benefits for recipients. Less than optimal land utilization will result in less than optimal output, making it difficult for poor farmers to improve their welfare. Poor farmers have a greater potential to sell land redistribution certificates (Ibnudin, 2016). In some locations, land redistribution recipients form groups or cooperatives such as in Sungai Aua Subdistrict so that it is easier to optimize land potential. This is in line with research by Diana (2019) that micro and small businesses that are members of cooperatives have three times greater opportunities to get access to capital than businesses that are not members of cooperatives.

The strong positive correlation between expenditures before and after the additional capital shows the role of capital in increasing expenditures. The direction of the distribution shows a positive relationship. This means that the level of expenditure before additional capital will increase after additional capital.

CONCLUSIONS

Land redistribution plays a role in improving the welfare of the community through reducing the number of poor people, but it is not yet optimal and requires empowerment for the recipients of these certificates. There is a strong positive correlation between pre mortgage and post mortgage expenditure.

LITERATURE


Monsaputra, Munibah, K., Panuju, D. R.: The Role Of Land Redistribution …


