ABSTRACT
The development of Yogyakarta International Airport (YIA) has been accomplished, and even now the airport is currently operating, serving the flight from and to Yogyakarta Special Province. However, the pro and cons of the YIA development remain. Some argue the YIA brought economic development for locals, while others argue the YIA made the locals worse-off. This paper describes the author’s view on this opposite perspective by reviewing several scientific articles regarding the YIA. The author supports the idea that the new airport of Yogyakarta has the potential to boost local economic development due to some conditions, they are sufficient compensation, productive use of compensation, the high number of flight destinations, and government intervention to involve the local sources. In addition, further research to estimate the average effect of YIA land acquisition compensation and the YIA existence on local economic development by using causal inference techniques is required to ensure the most objective study result.

Keywords: large-scale land acquisition, economic development, Yogyakarta International Airport.
I. INTRODUCTION

The right to direct land-use practices to attain particular development and public interest is one of the most basic roles of government all over the world, and land acquisition is the tool of the government to achieve development (Ma & Mu, 2020). Economic development requires space to fulfill the needs of industrialization, building the infrastructure, urban development, and extracting the resources. The biggest challenge in the face of rapid economic growth is to find a way on how to equilibrate the necessity of the goals of economic growth, equal distribution and human rights while putting aside political interest (Ghatak & Ghosh, 2011).

Land acquisition and its compensation is a substantial matter in a global development policy because the compensation is mostly argued as being insufficient (Ghatak & Mookherjee, 2014). Based on a literature study that discusses land acquisition in four countries, India, China, Norway, and Malaysia, there are three key issues for understanding the gaps in land acquisition and compensation. They are laws and regulations, policies for land acquisition and compensation, and land appraisal methods for compensation (Ghimire, Tuladhar, & Sharma, 2017).

One of the most notable land acquisition examples in a developing country is India (Dey Biswas, 2019). Large portions of the rural population suffered significant economic adversity as a result of land acquisition for industrialization in Singur, India, due to inadequate compensation in an involuntary resettlement event. The affected landowners and tenants showed slow growth in terms of income and consumption between 2005 (before the acquisition) and 2010 (after the industrialization) compared to the unaffected landowners (Ghatak, Mitra, Mookherjee, & Nath, 2013).

There is a lot of international experience on financial compensation from the government land acquisition which ended up with the new issues on poverty and unemployment since the recipients of the compensation tend to expend the money on consumptive and luxurious goods rather than productive goods (Rijanta, Baiquni, & Rachmawati, 2019). Stickler (2012) studied the large-scale land acquisition in Uganda. They found that the land acquisition for agricultural investment should have brought the economic development such as income generation and job opportunity creation for the communities and the affected landowners specifically. Unfortunately, the fact is different. The outcome of the land acquisition was not able to advantage the Ugandans because of corrupt governance. Meanwhile, Ty, Van Westen, & Zoomers (2013) studied the policy implementation and practice on the compensation of land acquisition and resettlement for hydropower dam construction in Vietnam. They reported that the affected households were worse-off due to the unfair compensation. The land is often appraised lower than the market price, moreover, the farmer household showed a decline in their food expenditure after the resettlement because of the small compensation land they receive.

Large-scale land acquisition for agricultural expansion in Indonesia, Merauke Integrated Food and Energy Estate (MIFEE), showed the outcome where short-run economic advantages are highly dominated but social and environmental impacts seem to be underestimated (Obidzinski, Takahashi, Dermawan, Komarudin, & Andrianto, 2013). Meanwhile, YIA is the largest airport in Indonesia that was built after the issuance of the new law on land acquisition, Law No. 2/2012 (Guild, 2019). That is why this paper takes the New Yogyakarta International Airport (YIA) development as an example case of large-scale land acquisition in Indonesia and presents the author’s side of an arguable opinion on the YIA.

Yogyakarta is a favorite tourist destination in Indonesia, and it is marked as the second-highest tourism destination among other provinces (Kadarisman, 2019). The old airport, Adisucipto Airport, can serve 1.4 to 1.6 million passengers per year, and the number of passengers bubbled every year, furthermore, recently in 2017 Adisucipto Airport served approximately 7.2 million passengers (Rachman, Satriagasa, & Riasasi, 2018). This number is around five times exceeding the ideal capacity of the airport, as a consequence, the airport becomes less comfortable for the passengers.

In 2012 the Indonesian government planned to build 45 new airports within 10 years ahead to overcome this capacity-exceeding issue and to support the rapid growth of the national aviation industry, and the new international airport of
Yogyakarta is included. The new Yogyakarta International Airport (YIA) development is part of the National Strategic Project Based on the Republic of Indonesia Presidential Regulation Number 58 of 2017 Concerning the Implementation of National Strategic Projects under the administration of President Joko Widodo.

Based on the inventory data obtained from the Ministry of Agrarian and Spatial Planning, the construction of the new YIA affects 5 villages; they are Jangkaran, Sindutan, Palihan, Kebonrejo, and Giagah. The total land size of the land provision is 5,851,825 m² or as much as 3,497 land plots. The amount of money provided by the government to acquire these lands is equal to 4.15 trillion IDR (296.5 million USD), so the affected households would receive a certain amount of money as compensation for the government grab their land (Kantor Wilayah Badan Pertanahan Nasional Daerah Istimewa Yogyakarta, 2018).

Several previous studies had been conducted regarding the new YIA development. Kustiningsih (2017) analyzed that there is a vulnerable group of households that emerge as the impact of the new YIA development, and it is suggested that the new YIA development must implement some appropriate mechanisms so that the vulnerable households can also be benefited. Another study reported that there is a change in the livelihood patterns of the affected households, and found that some households can use the compensation for livelihood improvement and sustainability, while some households are failed to use the compensation for improving their livelihood (Rijanta et al., 2019). Rachman et al., (2018) compared the compensation value to the aquaculture property value, and they found that the compensation value is almost nine times higher than the aquaculture property value, so according to this finding it can be concluded that the YIA land acquisition highly benefited the aquaculture farmers.

On the other hand, a study found that the new YIA project caused the affected peoples to suffer due to resettlement, displacement, farmer-job losing, and poor compensation. Furthermore, the expectation of the new YIA project to reduce the economic gap in Yogyakarta seems cannot be able to achieve, even more, it tends to be more severe because for those who cannot adjust to the urbanization that is created by the airport existence will still be marginalized, and for those who obtain the advantages from the new YIA existence will tend to increase their livelihood (Edita, 2019).

From the passages above, there is an opposite perspective of the YIA study that can be drawn; on one view the YIA benefited the affected households, while in another view the YIA made the affected household worse-off. This paper attempts to review and share the author’s perspective regarding the YIA study based on several scientific works of literature available, since by this far there is no study that utilize this kind of method to state a view or position of the YIA development case the rest of this paper will be presented as follows: section 2 method, section 3 stating position and discussions, and section 4 conclusions and recommendations.

II. METHOD
This paper is a literature study aimed to analyze and compare prior relevant studies and articles to the YIA development. First, the relevant literature was collected through the scholar searching engine on the internet. Secondly, those articles are reviewed and elaborated in terms of their results and findings. As the final step, the author’s perspective is stated as the discussion on each relevant article.

III. STATING POSITION AND DISCUSSIONS
Land acquisition or land grabbing occasionally has a negative meaning. It usually occurs in large-scale land size. The subject of land grabber can be from any parties, and the most common is the private sector and government. The government usually grabs large-scale land to build infrastructure related to the public interest, while most private sectors have an investment intention in grabbing the large-scale land size. Based on the introduction section, this position paper attempts to provide the arguments that support the view that the land acquisition of the YIA project can be considered to boost the rural development, especially for the affected location, because the government had compensated them fairly and took the livelihood sustainability as a consideration in determining the compensation value.
### Tabel 1  A number of International cases of land acquisition and YIA studies.

<table>
<thead>
<tr>
<th>Author (Year)</th>
<th>Study Area</th>
<th>Land Acquisition Objectives</th>
<th>Specific Objectives</th>
<th>Affected party</th>
<th>Land grabber</th>
<th>Important findings</th>
</tr>
</thead>
</table>
| Ty, Van Westen & Zoomers (2013) | Vietnam | Infrastructure | Hydropower Dam | Around 60% farmers | Government | • compensation < market price  
• 90% affected house-holds were worse-off                                             |
| Bottazzi et al., (2018) | Sierra Leone | Agriculture investment | Sugar cane Plantation | Farmers | Private | • Income and food expenditure increase  
• food and water security improve  
• agriculture area and yield decrease  
• external labor cost increase                                                      |
| Baumgartner et al., (2015) | Ethiopia | Agriculture investment | Unspecified | Farmers | Private | • loss of forest resources  
• Business opportunity and job creation                                               |
| YIA case | Indonesia | Infrastructure | Airport | Mostly farmers | Government |                                                                                     |

<table>
<thead>
<tr>
<th>Author (Year)</th>
<th>Method</th>
<th>Number of sample/observation</th>
<th>Important findings</th>
</tr>
</thead>
</table>
| Edita (2019)           | Qualitative approach    | 22 informants (total)         | • YIA project caused the affected peoples to suffer due to resettlement, displacement, farmer-job losing, and poor compensation.  
• The expectation of the new YIA project to reduce the economic gap in Yogyakarta seems cannot be achieved, and even it tends to be more severe. |
| Rijanta et al., (2018) | Qualitative approach    | unspecified                   | • A number of households use the YIA compensation for livelihood improvement and sustainability.  
• Other households failed to use the compensation for improving their livelihood |
| Rachman et al., (2018) | Spatial analysis         | 83 Ha of aquaculture area     | • Compensation value for aquaculture is more than 8 times higher than the property value.                     |

Many experiences show that land acquisition does not always have a negative impact, there is a trade-off in large-scale land acquisition. Bottazzi, Crespo, Bangura, & Rist (2018) found that large-scale agricultural investment in Sierra Leone decreased the food production and yields of the farmers but on the other hand it increased the farmers’ income and food consumption expenditure. Nevertheless, Bottazzi et al. (2018) also emphasized that there is still inequality in income increase occurs between the landowners and tenants. Another similar study shows that large-scale land transactions for investment in Ethiopia make the affected poor people suffer due to the loss of the land forest, however, the losses are traded-off with the advantages obtained from the investment such as business opportunity and job creation (Baumgartner, von Braun, Abebaw, & Müller, 2015). According to Ghatak & Mookherjee (2014), both landowner and tenant must be legally compensated from the land acquisition if the land acquisition makes the tenant lose their job because many critics mentioned that most of the time the compensation that is given to them is insufficient, as a result, the compensation issue might create massive political and social tension.

The context of land acquisition in the new YIA development case is slightly different from the two experiences in Sierra Leone and Ethiopia that are mentioned above in the previous paragraph (table 1). The land grabber in the new YIA development is government and the objective of the land acquisition is not for agriculture investment but for building the national infrastructure. The object of land acquisition in YIA is more complex than in Sierra Leone and...
Ethiopia, in these 2 countries the entire object of land acquisition are farmers, while in YIA not only farmers, but most of them are farmers. Furthermore, it is strongly assumed that there has to be a different method in acquiring large-scale land among these countries, because each country has its own law regarding the land provisions.

A working paper by Guild (2019) discussed the compensation value of YIA land acquisition. He claimed that determining the land market value can be difficult because of the understate of the real transaction value. This often occurs to avoid the higher tax burden. Direct site observation and court record review are required to obtain a more accurate land market value. A comparison was made between the approximate land value and the compensation value offered by the government, and there was an indication that the compensation value reflects fair compensation. This working paper also stated that the compensation calculation somehow made thousand of locals who initially resisted eventually accepted the compensation value offers.

Based on the new YIA previous study, there are two categories of the affected people whose land was taken by the project and received a certain amount of compensation money, they are the landowners and the tenants. The landowners, the better-off, tend to receive compensation money higher than the tenants or the landless, this is sure because the landowners had to give up their land ownership and the rights that are attached to it, while the landless or tenants do not have land ownership. As much as 4.15 trillion IDR is allocated by the government to compensate both landowners and tenants for the land acquisition. According to an in-depth interview in a study by Rijanta et al., (2019), the affected people receive in average 3 to 4 billion IDR as financial compensation due to land acquisition, and this amount is far above the local minimum wage which only less than 2 million IDR/month. Another study that resulted in supporting argument for this paper is conducted by Rachman et al., (2018), who found that the compensation value is almost nine times higher than the aquaculture property value. As it is known that most of the aquaculture farmers in the new YIA location are the tenants, they occupied the land which is owned by the Sultanate of Yogyakarta or Pakualaman Ground. From these findings, it is assumed that the affected rural people had been compensated fairly in terms of financial compensation calculation.

The following problem is concerning the sustainable use of the financial resource that had been obtained by the affected rural people. The way they utilize their monetary resources is crucial since there is an abundant experience all over the world that shows that the financial resources from compensation tend to be spent on luxurious amenities and other consumptive uses. However, in the case of the new YIA development, Rijanta et al., (2019) studied how the affected household utilized their financial resources after receiving the compensation money and see how it changed the pattern of their livelihood. The study mentions there are 7 ways how the compensation money utilization altered the affected households' livelihood. First, they used the money for extending their economic base such as buying the substitute land and new building in other locations and buying vehicles. Second, they spent it on intensifying the use of their existing assets such as renovating their house for commercial purposes and purchasing agriculture machinery. Third, they used the money for diversifying the use of their assets, for example, creating new business and getting involved in new jobs. Fourth, they deposited it in the financial institution, so they obtained the passive income from depositing the money. Fifth, they invested in the new activities, for instance, building the boarding house and purchasing new buses for public means of transportation. Sixth, some of the households used it for speculating for future benefits by purchasing lands in the Yogyakarta capital city, far from their house. And the last, they used it for extending their spatial mobility, since they have to look for another job outside the village. From the several uses of the compensation that are previously mentioned, it is showed that the compensation money was spent mostly to sustain the life of the affected households, and there are new business fields created from the compensation money utilization, not always have to be the farm business.

The airport’s existence is expected to have an economic development impact, especially for the local area and community. By using a dynamic panel data approach, Bilotkach (2015) evaluated the impact of the airport on economic development. The result shows that the number of destinations served by the airport gives positive significant effects on the average wage, the level of employment,
and business creation. Meanwhile, the volume of passengers served by the airport significantly has positive impacts only on the employment side and the average wage. Referring to this study, we can also estimate the impacts of the new YIA’s existence on the local economic development. The new YIA has a capacity of up to 20 million passengers per year, this new capacity is almost 20 times higher than the previous airport. Furthermore, by the existence of the new YIA automatically can increase the number of the flight also, so it is expected to have a significant effect on the several aspects that support the rural development in Yogyakarta, especially in Kulon Progo Regency.

Prior to 2018, economic growth in Kulon Progo was only around 4 to 5.2 percent. However, with the Yogyakarta International Airport or YIA Airport, the economy in the region soared to 11.3 percent (Widyastuti, 2020). The YIA development brought a positive impact from the economic perspective. Nevertheless, it also has a negative impact from the social perspective (Susanto, 2020).

Another evidence that supports the existence of the new YIA can create rural development is according to Kadarisman (2019), who stated that the local people that impacted directly are now realizing the important aspect of the airport existence to their livelihood improvement. Many of them improved their skill in learning English to compete in the new circumstances. Furthermore, the new YIA authorization has committed to employ more locals and creating more local business units. 1,500 locals were being trained to be involved in the operation of YIA. He further concluded that there will be a huge shift in the local main business from agriculture to service, trade, and tourism business.

IV. CONCLUSIONS AND SUGGESTIONS

Based on the discussions, the author argues that the new airport in Yogyakarta (YIA) has the potential to become an engine of rural development in the Temen District. It is essential to draw a lesson from the YIA case on several conditions that have to be met to create the rural development from a large-scale land acquisition project for airport development, they are sufficient compensation for the affected household, productive use of the compensation, the high number of flight destinations, and government intervention to involve the local sources. In conclusion, this paper supports the idea that land acquisition of the New YIA can boost rural development in Kulon Progo Regency through some improvement and sustainability of the local livelihood due to a fair amount of financial compensation, and in the long term, the existence of the YIA can be one of the main sources of the new economic activities, especially for locals.

To ensure the most objective result, the author suggests conducting a study to calculate the average effect of the YIA land acquisition compensation on local economic development by using causal inference methods. Moreover, it is also necessary to conduct a study to estimate the effect of the YIA existence on local economic development by following the previous study method.

REFERENCES


