



## Remittances, Social Change, and Rural Transformation: A Case Study of Banyusri Village, Boyolali

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### Abstract

Rural-urban migration and remittances play a central role in shaping socio-economic restructuring in agrarian villages facing structural constraints, including Banyusri Village. Migration has emerged as an adaptive livelihood strategy in response to land scarcity, declining agricultural productivity, and persistent rural-urban income disparities, while remittances function as a critical source of household and community support. Using a qualitative case study approach based on in-depth interviews, participant observation, and document analysis, this study examines migration patterns, forms and uses of remittances, and their impacts on socio-economic transformation in Banyusri. The findings show that migration is driven by structural rural pressures and reinforced by intergenerational migrant networks that facilitate, normalize, and perpetuate mobility over time. Remittances enhance household economic resilience by supporting consumption, education, healthcare, savings, and productive investment in high-value agricultural sectors. At the community level, migrant contributions strengthen religious, cultural, and social infrastructure, reinforcing collective participation and social cohesion. At the village level, remittances stimulate economic regeneration by generating employment opportunities, circulating capital, and expanding collective assets; however, they also produce emerging inequalities through differentiated consumption patterns, the rise of "successful migrant" social strata, and potential household dependency. Overall, the study demonstrates that remittances operate not only as financial transfers but also as transformative social resources that reshape household strategies, community relations, and broader rural development pathways. By analyzing how remittances are mobilized, utilized, and socially interpreted, this research contributes to wider debates on migration, rural livelihoods, and the dynamics of rural transformation in Indonesia.

**Keywords:** Migration, Remittances, Rural Development, Socio-Economic Transformation

### 1. Introduction

Rural development in Indonesia has undergone a profound paradigmatic reorientation over the past two decades. Following the enactment of Law Number 6 of 2014 on Villages, which previously positioned villages merely as passive recipients of development interventions, villages are now formally recognized as autonomous actors with the authority and responsibility to mobilize local resources for community welfare. This shift aligns with national development priorities that foreground village autonomy and local agency as central pillars of inclusive growth. Consequently, villages are no longer conceptualized solely as administrative territories, but rather as dynamic socio-economic spaces in which agricultural modernization, shifts in labor structures, and evolving mobility and migration patterns unfold concurrently.

Rural-urban migration has become increasingly salient as a household strategy to navigate structural constraints in rural economies. Limited employment opportunities, declining agricultural productivity, small landholdings, low skill levels, climatic uncertainties, demographic pressures, and heightened vulnerability to poverty collectively propel rural residents to seek alternative livelihoods elsewhere (Fishman & Li, 2022; Husein, 2021; Lucas, 2007; Newman & Tarp, 2020; Tran et al., 2023; Xiao & Zhao, 2018). These constraints undermine the

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feasibility of key livelihood strategies agricultural intensification, extensification, and livelihood diversification as outlined by (Ellis, 2003; Scoones, 1998). Under such conditions, migration to urban centers or higher-order regions becomes a rational response to perceived improvements in economic prospects (Jedwab et al., 2014).

Although migration is initially driven by structural limitations, over time rural migrants generate developmental effects through their sustained attachments to their home communities (Wang et al., 2022). These effects are most visible in the circulation of remittances, the diffusion of skills and knowledge, and patterns of return migration (Carling, 2005; Cerase, 1974). Remittances defined as transfers of money, goods, and ideas from destinations to origin communities manifest through various forms, including household consumption, savings, individual investments, collective initiatives, and cooperative ventures among migrants (Carling, 2005; Curson, 1981). In many rural settings, these transfers facilitate the acquisition of agricultural land, housing, and the establishment of local enterprises (Osili, 2004; Smith & Mazzucato, 2009). As a result, remittances not only enhance household welfare but also influence broader processes of local economic transformation, natural resource utilization, and production systems (Douglass, 1998; Putra et al., 2017).

Evidence from Indonesia further highlights the multidimensional implications of remittances. Pratiwi & Kolopaking (2017) documented how migrant associations in Jagalan Village mobilized resources for business development and social service activities, illustrating the interplay between social capital, economic improvement, and physical development (Ding et al., 2025; Opiniano et al., 2023; Septiani et al., 2022). Raharto (2017) similarly demonstrated that remittances reinforce social networks, shape household aspirations, and foster new lifestyle orientations among return migrants. Beyond economic outcomes, remittances also introduce new values, norms, aspirations, and practices to origin communities, reshaping family relations, consumption patterns, and symbols of social status (Galstyan et al., 2021; Mas'udah, 2020; Raharto, 2017; Tuccio, 2020).

Recent Indonesian studies indicate that remittance-receiving households often experience upward social mobility, marked by improved housing conditions, higher educational attainment, and the adoption of symbolic markers of success (Hasibuan, 2024). Such changes are accompanied by transformations in land use, agricultural investment, and rural occupational structures, particularly in agrarian regions where migration has become a primary adaptive strategy to structural constraints (Mack et al., 2023). Nevertheless, these processes also risk exacerbating social differentiation, reinforcing emerging inequalities between remittance-receiving and non-receiving households (Amallia & Purnomo, 2023).

The indirect impacts of remittances are equally significant. When allocated primarily to consumption, remittances tend to produce limited multiplier effects for local economic development (Stark & Bloom, 1985; Taylor, 1999). These limitations highlight the importance of individual migrant characteristics, the strength of community networks, and the roles of local leaders in translating external capital into developmental outcomes. From a rural transformation perspective, such dynamics demonstrate how external financial flows intersect with local agency to shape social change. As Long (2001) argues, rural transformation is co-produced through the everyday practices of local actors who interpret and mobilize new resources to negotiate structural constraints.

Banyusri Village, located in Wonosegoro Subdistrict, Boyolali Regency, exemplifies these contemporary dynamics. As an agrarian village characterized by high dependence on farming, limited land ownership, fluctuating agricultural yields, and low economic diversification, Banyusri has witnessed significant out-migration among its productive-age population. Migration has generated not only household-level impacts but also wider socio-economic and cultural consequences for the village. The circulation of remittances in Banyusri reflects processes of reterritorialization, wherein the village is increasingly integrated into broader circuits of economic mobility and ceases to be perceived as a marginal or peripheral space.

Despite the expanding body of scholarship on migration and rural development, micro-level qualitative analyses that conceptualize remittances as socio-cultural practices rather than merely economic transfers remain limited within the Indonesian context. Existing studies tend to prioritize macroeconomic indicators or household welfare metrics, with insufficient attention to how remittances are interpreted, negotiated, and embedded in everyday social relations within rural communities.

To address this gap, this study adopts the premise that remittances function as potential catalysts for socio-economic transformation, with outcomes conditioned by local contexts and community capacities. By integrating the Sustainable Livelihood Framework proposed by Scoones (1998), along with the migration–remittance–development nexus advanced by Carling (2005) and De Haas (2007), this study examines migration patterns, forms and uses of remittances, and their impacts on socio-economic transformation in Banyusri. Employing an in-depth qualitative case study in Banyusri Village, the research examines patterns of remittance use, their impacts on socio-economic transformation at both household and community levels, and the emergent social meanings reflected in shifting values, relationships, and development orientations.

Overall, this study aims to provide a nuanced understanding of how remittances are mobilized, how they shape socio-economic transformations, and how they are socially interpreted by the residents of Banyusri Village. By analyzing the forms and patterns of remittance use, their developmental impacts, and the social meanings they produce, this research contributes to broader debates on migration, rural livelihoods, and the dynamics of rural transformation in Indonesia.

## **2. Methodology**

### **2.1 Research Location**

The study was conducted in Banyusri Village, Wonosegoro District, within the Boyolali Regency of Central Java. Geographically, Banyusri is situated in the northern part of the regency and is surrounded by limestone hills that constrain the availability of agricultural water resources. These environmental conditions reduce agricultural productivity and prompt a segment of the productive-age population to pursue migration as a livelihood strategy.

The village is also located at a significant distance from major urban and industrial centers. Its nearest city, Salatiga, lies approximately 24 kilometers away and is reachable only through local roads traversing hilly terrain. The closest major city, Surakarta, is 49 kilometers from Banyusri and requires travel through a combination of local, collector, and arterial roads. These substantial distances result in a pronounced lack of connectivity between Banyusri and surrounding zones of economic and industrial growth. Consequently, limited access to urban opportunities reinforces migration as a sustainable livelihood strategy for many households in the village.

The location was purposively selected because Banyusri represents a village with high migration rates, significant remittance inflows, and visible socio-economic changes following remittance flows. These conditions make Banyusri a relevant single case for understanding the role of remittances in rural transformation.



Figure 1. Map of Research Location  
(Authors, 2024)

Furthermore, migration in Banyusri Village reflects a collective aspiration for upward mobility, whether through pursuing education, seeking employment, or gaining wider experience. The presence of earlier migrants has also fostered a strong migration network that facilitates the movement of relatives to destinations beyond the village.

*“As for migrating, when I was young, I often brought along relatives or other people who wanted to migrate with me to Banten. Some went to study, some to look for work, and many simply wanted to gain experience in the city.”* (Banyusri Village Migrant, 2024)

Moreover, during migration and after returning, migrants often provide contributions to their home village in the form of land donations, charitable giving, and knowledge sharing. These contributions are generally directed toward the village’s physical development, as noted by the Head of Banyusri Hamlet (one of the three hamlets in Banyusri Village), as follows:

*“Although infrastructure development is funded by the village budget, there are always some migrants who donate to support village development, for example for the construction of prayer facilities or the cemetery.”* (Head of Banyusri Hamlet, Mr. Jasmin, 2024)



The expansion, construction of boundary walls, and installation of a water tank were carried out using contributions from the residents of Banyusri Village.

*Figure 2. Contribution of Migrants to The Construction of The Banyusri Village Cemetery.  
(Authors, 2024)*

## **2.2 Research Approach and Design**

This study adopts a qualitative research approach employing a single holistic case study design, as proposed by Yin. A qualitative case study is particularly appropriate for examining complex social phenomena within their real-life contexts, especially when the boundaries between the phenomenon and its context are not clearly defined. This approach allows researchers to capture contextual conditions and social processes that are integral to understanding the phenomenon under investigation (Yin, 2018). Accordingly, this study seeks to develop an in-depth understanding of remittance practices and their role in socio-economic transformation in Banyusri Village, rather than to test predefined hypotheses.

The qualitative approach facilitates the exploration of meanings, social processes, and relational dynamics associated with remittances at both household and community levels. Such an approach is widely used in migration and development studies to examine how social actors interpret, negotiate, and mobilize resources within specific socio-institutional and ecological contexts. This perspective is consistent with actor-oriented and process-based approaches, which emphasize human agency and the socially embedded nature of development processes (De Haas, 2007; Long, 2001). In this sense, remittances are conceptualized not merely as financial transfers, but as socially embedded resources that shape livelihood strategies, social relations, and local power structures.

A single case study was selected because Banyusri Village exhibits distinctive socio-economic and ecological characteristics, including strong dependence on the agricultural sector, limited water availability, and a high incidence of labor migration. These conditions generate specific remittance practices within a dry agrarian setting, making the village a critical case for examining the socio-economic implications of migration. Consistent with Yin's concept of analytical generalization, the purpose of this case study is to contribute to theoretical understanding by linking empirical findings to broader debates on remittances and rural transformation, rather than to produce statistically generalizable results (Yin, 2018).

The holistic case study design enables a comprehensive analysis of migration dynamics, remittance utilization, and their impacts on local socio-economic structures across interconnected household and community domains. By avoiding the fragmentation of analytical units, this design allows the study to capture the interrelationships between livelihood strategies, social differentiation, and institutional contexts. This approach aligns with the research questions, which focus on explaining how and why remittances contribute to processes of rural socio-economic change, as emphasized in sustainable livelihoods and rural development frameworks (Ellis, 2000; Scoones, 1998).

## **2.3 Sources and Types of Data**

The study employed both primary and secondary data sources. Primary data were collected through in-depth interviews, field observations, and social documentation. The informants consisted of three groups: key informants, including the village head, village officials, and community leaders knowledgeable about migration and local economic development; migrants and remittance-receiving households, who provided insights into migration patterns, remittance utilization, and their effects on household welfare; and community members connected to migrants, such as neighbors or local economic actors who are indirectly involved in remittance flows. Secondary data were obtained from village monographs, development reports, statistical records from the Central Bureau of Statistics (BPS), migration documents, and relevant academic literature which served to reinforce the study's theoretical framework.

Three main techniques were employed in this research. First, in depth semi structured interviews were conducted to allow informants to freely share their experiences and perspectives, guided by themes such as migration motivations, patterns of remittance use, and perceptions of socio-economic change. Second, field observations were carried out to capture non-verbal and symbolic aspects of village life, including physical changes in housing, the emergence of new businesses, social interactions among residents, and environmental and infrastructural conditions associated with remittances. Third, documentation and village archival materials such as monographs, migration reports, remittance records, and development documents were analyzed to support data triangulation and strengthen the interpretation of findings.

Informants were selected through a two-stage process. First, purposive sampling was used to identify key informants based on their knowledge of and direct involvement in the remittance phenomenon. This was followed by snowball sampling to expand the pool of migrant and remittance-receiving informants through referrals from previous participants. The number of informants was not predetermined but adhered to the principle of data saturation, whereby data collection was concluded once the information provided became repetitive and no new insights emerged.

Based on the findings from the in-depth interviews, the informants can be grouped into four migration categories. Circular migrants are individuals who repeatedly move between their place of origin and the destination area for work or residence, without intending to settle permanently. Short-term migrants relocate for a limited duration typically less than six months and similarly do not seek long-term settlement. In contrast, long-term migrants move to a destination area for six months or more, often with the intention to settle, although not always on a permanent basis. Finally, return migrants are individuals who have previously migrated whether on a short-term, long-term, or permanent basis and subsequently returned to their place of origin to reside either permanently or for an extended duration.

Table 1: Research Informants and Codes

No.	Informants	Number of Respondent	Codes
1	Circular Migrant and Key Informant	2	IK
2	Key Informant	3	IK
3	Short-term Migrant	5	M
4	Long-term Migrant	7	M
5	Circular Migrant	4	M
6	Return Migrant	13	M
7	Local Inhabitant	5	P

Source: Authors' in-depth interviews, 2024.

Through the in-depth interviews, several categories of participants were identified. The first group consisted of circular migrants who also served as key informants (2 respondents) and non-migrant key informants (3 respondents), both coded as IK. Short-term migrants (5 respondents), long-term migrants (7 respondents), circular migrants (4 respondents), and return migrants (13 respondents) were all classified under the code M. Additionally, five local residents with no migration experience were included and coded as P. This classification illustrates the diversity of migration experiences and perspectives captured in the study, ensuring a comprehensive understanding of mobility dynamics in Banyusri Village.

### 2.4 Data Analysis Techniques

The data analysis integrated content analysis with descriptive quantitative techniques. Content analysis was applied to identify the social meanings embedded in informants' narratives, facilitating an interpretation of how remittance practices are situated within broader trajectories of socio-economic transformation. Descriptive quantitative analysis was used to present empirical patterns through tables, diagrams, and simple tabulations, particularly to illustrate migration characteristics such as destinations, push-pull dynamics, migration typologies, and return patterns as well as the magnitude of remittance contributions at the household, community, and agricultural levels. The qualitative analytical process followed the framework of Miles et al. (2014), encompassing three stages: data reduction, involving the systematic selection and condensation of field data; data display, which organized information into matrices, thematic categories, and analytical summaries; and conclusion drawing and verification, through which emergent patterns, relationships, and meanings were inductively derived and subsequently validated.

The analysis was anchored in two primary theoretical perspectives that were applied in an integrated manner. First, the Sustainable Livelihood Framework provided a foundation for interpreting rural household livelihood strategies and understanding how households mobilize available assets in response to structural constraints. Second, the migration–remittance nexus offered an analytical lens to examine the interrelations between remittance flows, socio-economic restructuring, and shifting social dynamics. Together, these frameworks enabled a comprehensive exploration of how remittances operate not only as economic resources but also as drivers of social transformation within the context of Banyusri Village.

### 2.5 Data Validity and Reliability

To ensure the validity and credibility of the findings, the study employed multiple verification strategies. Source triangulation was conducted by comparing information obtained from key informants, migrants, and documentary records, while method triangulation was achieved through the combined use of interviews, field observations, and documentation. Member checking was carried out to validate the accuracy of interpretations by consulting informants and refining analyses based on their feedback. In addition, an audit trail was maintained to systematically document the procedures of data collection and analysis, thereby enhancing transparency and enabling replicability.

The study adhered to established ethical principles throughout the research process. Informed consent was obtained prior to all interviews to ensure that participants fully understood their involvement. The confidentiality of informants was maintained by anonymizing identities using initials or coded references. Transparency regarding the research objectives was consistently communicated to guarantee voluntary participation. Additionally, the principle of benefit sharing was upheld by presenting the research findings to the village community as input for local development planning and evaluation.

## 3. Results and Discussion

### 3.1 Characteristics and Pattern of Migration in Banyusri Village

Migration among Banyusri resident is results from the complex interaction between rural structural pressures and urban economic attractions. This process aligns with Lee (1966) Push–Pull Theory, which explains that migration decisions are shaped not only by differences between origin and destination areas but also by intermediary factors such as costs, distance, and the strength of social networks. In Banyusri, migration decisions are generally not spontaneous but rooted in historical dynamics and social networks established since the 1960s. Historically, migration from Banyusri has occurred in several waves:

Table 2: Research Informants and Codes

Pattern	Waves	Push and Pull Factors of Migration
government policies on transmigration	1960s–1970s	This pattern was driven by access to newly allocated farmland in Kalimantan and Sumatra, as well as promises of improved livelihood opportunities through land provision.

Pattern	Waves	Push and Pull Factors of Migration
Spontaneous migration	1980s–1990s	This pattern emerged due to declining land productivity, limited irrigation, and few non-agricultural opportunities. Migration was largely facilitated by kinship networks.
Circular migration to industrial areas	2000s–present	This pattern became dominant because migration motives shifted from being policy-driven to aspiration-driven. This shift was shaped by migrants' rational economic calculations regarding better income prospects, as well as the growing appeal of social and employment opportunities available outside the village.

Source: Author's Interview Analysis, 2024

Push factors in Banyusri include economic limitations and structural pressures faced by farming households. Declining agricultural productivity due to land fragmentation and fluctuating crop prices is the main driver, especially among younger generations. Limited access to higher education also reinforces migration, as one informant stated: “... my parents wanted me to get a better education. I went to a model school in Temanggung (Teacher Training School *Berbantuan, Temanggung*).” (M\_24\_A.1.2, 58 years old, Entrepreneur, 2024)

Social stagnation in the village also serves as a psychological push factor. For some, migration is seen as a search for identity and self-development, not merely an economic necessity. This aligns with Stark and Bloom's (1985) New Economics of Labour Migration (NELM), which interprets migration as a household strategy to reduce economic risks and diversify income sources.

Pull factors are closely tied to urban economic opportunities and facilities. Higher regional minimum wages (UMR), especially in industrial zones, are the main attraction for young migrants. For instance, Boyolali's minimum wage is Rp2,396,598, while the average in Jabodetabek is Rp5,199,011, nearly double. This disparity not only reflects economic inequality but also reinforces the perception of cities as symbols of progress and social mobility.

As one informant explained:

“My goal in working in Jabodetabek was because of work networks, friends, and experience, and of course, the higher income.” (M\_17\_A.1.2, 2024)

Cities are also perceived as spaces for learning and social transformation, where migrants acquire new skills and a sense of modernity not available in the village. Migration thus becomes both a survival strategy and a symbol of success, reshaping social values and family status.

In terms of rural–urban migration patterns, mobility in Banyusri Village is predominantly shaped by long-distance and long-term movement due to its considerable distance from growth centers and urban areas. Field data indicate that 20 out of 39 respondents are long-distance and long-term migrants, whereas 9 out of 39 respondents engage in short-distance and short-term migration, comprising four circular migrants and five short-term migrants. Long-distance migration typically involves movement to urban centers located at least 24 km from the village, and in many cases extends to destinations outside the island. This overall pattern reflects the village's limited accessibility and constrained local economic opportunities, both of which collectively motivate residents to pursue more viable livelihood prospects far beyond the village boundaries.

Migration in Banyusri Village represents a form of population mobility from agrarian areas toward urban centers that has expanded notably over the past decade. According to one hamlet head, “around 75% of Banyusri residents migrate. Some become vegetable traders, construction workers, and they are now spread across Indonesia” (Hamlet Head of Banyusri, 2024). This phenomenon illustrates the economic disparities between agriculture-based rural areas and urban regions offering non-agricultural employment opportunities.

Consistent with the Harris & Todaro (1970), model, migration decisions in Banyusri are shaped by differences in expected income and residents' perceptions of urban economic prospects. However, following Lee (1966) framework, migration is not solely driven by urban pull factors but also by significant rural push factors, such as limited land ownership, declining agricultural productivity, and the appeal of better educational opportunities for children. Migration network theory Massey et al. (1993) further explains the persistence of these flows, as established migrant networks reduce the costs, risks, and uncertainties faced by new migrants. These theoretical perspectives are reinforced by recent empirical studies in Indonesia: Novriawati (2023) highlights the role of migrant networks in facilitating temporary and circular migration by providing information, accommodation, and access to employment; meanwhile, Setijaningrum (2023) emphasizes that return and repeat migration are often sustained by social ties and household strategies rather than economic motives alone.

The influence of migration networks is evident in the testimony of one respondent, who stated, “When I was in Banten, I often brought people from the village to the city. If someone wanted to apply for work in the city, I helped and took them along” (M\_24, 2024). This underscores the strong role of social networks as drivers of migration. Thus, migration patterns in Banyusri not only reflect structural economic disparities between rural and urban spaces but also signify a broader shift in livelihood strategies and social orientations, with villagers increasingly relying on income generated beyond the village.

From a typological perspective, migration in Banyusri demonstrates varied forms and directions that can be understood through three interconnected dimensions: spatial, temporal, and sectoral. Spatially, most migrants move to major industrial urban centers such as Bekasi, Tangerang, and the broader Jabodetabek region, facilitated by long-established migrant networks. Temporally, migration tends to be circular or sequential, with individuals frequently moving back and forth between the village and multiple urban destinations. Sectorally, migrants engage in factory work, trading, construction, and informal services, indicating a shift from agrarian livelihoods toward more diversified non-agricultural occupations. For example, one respondent noted: “Many villagers go to Jabodetabek because family members are already there. It feels safer, and they already know the workplaces.” (M\_11\_A.2.3, 45 years old, former factory worker, 2024)

### 3.2 Patterns of Remittance Utilization in Banyusri Village

In the context of household-level economic strategies, remittances in Banyusri Village play a central role in sustaining rural household economies. Interview findings show that most migrants remit regularly, primarily to meet basic family needs, finance children’s education, and accumulate savings for productive investments. This pattern indicates that remittances function not only as a means of consumption but also as a strategic economic instrument that enables households to stabilize income, reduce vulnerability, and pursue long-term livelihood improvements (Carling, 2005; Stark & Bloom, 1985).

Most migrant households use remittances to cover daily necessities such as food, healthcare, and education expenses. This finding aligns with studies by Raharto (2017), which highlight that remittances during the early stages of migration tend to be primarily consumptive before gradually shifting toward capital accumulation. One informant shared:

*“Back when I was working away, the money I sent to the village was purely for my parents’ living expenses.” (M\_14\_A.3.2)*

Interview data show that migrants typically remit funds every one to two months, with amounts ranging from IDR 1,000,000 to 3,500,000 per month, depending on their occupation and duration of employment in the city. This frequency reflects a continuity of obligation a form of moral responsibility toward family members in the village (Levitt, 1998).

Viewed from the perspective of investment-oriented remittance use, some migrants allocate a portion of their remittances to long-term productive activities such as purchasing agricultural land, investing in livestock, or establishing small businesses. Based on the analysis of 40 respondents, 35% reported directing their remittances toward productive, long-term investments. As one informant explained:

*“I invested in a teak plantation, although it’s now gone, and I once ran cattle fattening business.” (M\_18\_C.1.4)*

This phenomenon illustrates how remittances serve as a new form of capital accumulation for rural households. The finding is consistent with research by Perez-Saiz et al. (2019), which shows that productive remittances have a multiplier effect on local economies by creating jobs and increasing villagers’ purchasing power.

There are also migrants who allocate a portion of their remittances toward savings and asset accumulation, using these funds as precautionary reserves for emergencies or for future asset purchases. This practice reflects the financial prudence of households in Banyusri Village, where migrants anticipate potential uncertainties and seek to strengthen their long-term economic stability. One informant stated:

*“Most of the money I earn is saved, and I withdraw it when needed.” (M\_6\_A.3.2)*

Thus, remittances function as a buffer income that helps maintain household financial stability, especially during periods of declining agricultural commodity prices or crop failure.

Table 1: Classification of Household-Level Remittance Utilization in Banyusri Village

Usage	Activities	Household Percentage (%)
Consumption	Daily needs, education expenses, healthcare	63
Savings	Personal and family savings	37

Source: Author’s Interview Analysis, 2024

Viewed from the perspective of community-level dynamics, the contribution of remittances represents a form of social remittance (Levitt, 1998), referring to the transfer of values, norms, and resources that reinforce social cohesion. Based on interview data, 43% of migrants from Banyusri Village actively donate to social, religious, and cultural activities such as mosque construction, *nyadran* ceremonies, and *sedekah bumi* celebrations. As one informant stated:

*“First, I have family in the village... second, my uncle holds the principle that the best person is one who helps others, so at the very least I can help my relatives in the village.” (M\_11\_A.2.4)*

This form of contribution reflects a shift in motivation from economic gain to a moral economy, in which migrants associate their urban success with social responsibility toward their hometown. According to Meiliyana et al. (2021), migrant participation in social activities reinforces interpersonal networks and cultivates collective social capital, which serves as a foundation for local development.

Table 2: Community-Level Remittance Contributions in Banyusri Village

Contribution	Activities	Frequency (%)	Social Impact
Social Consumption	Contributions to religious and cultural activities	60	Strengthens social solidarity and communal cohesion
Invest	Purchasing of social assets and economic assets	20	Enhances collective assets and community self-reliance

Source: Author’s Interview Analysis, 2024

### 3.3 Contributions and Impacts of Remittance to Village

Remittances in Banyusri Village demonstrate a broad spectrum of contributions, ranging from the household level to the community and village scale. The flow of remittance funds not only improves individual welfare but also serves as a catalyst for new social and economic dynamics in rural areas. Based on analysis of 40 respondents, remittance contributions can be classified into four main levels, as presented in table below.

Table 3: Remittance Contribution in Banyusri Village

Level	Scope of Contribution	Examples	Impact
Household Level	Economic support for daily needs and long-term welfare	Food, education, healthcare, savings, productive assets	Improves household resilience and quality of life
Community Level	Collective donations and shared infrastructure	Almsgiving, mosque construction, ceremonial equipment, traditional arts	Strengthens social cohesion and communal capacity
Village Development	Material and symbolic contributions to local progress	Agricultural tools, cultural preservation, social participation	Enhances local assets and supports inclusive development
Symbolic Capital	Social recognition and status elevation through philanthropic acts	Role as donors, community role models, respected returnees	Reshapes social hierarchy and reinforces migrant identity in rural society

Source: Author's Interview Analysis, 2024

The impacts of remittances in Banyusri Village unfold through both direct and indirect pathways that shape socio-economic conditions at the household and community levels. Direct impacts are evident in enhanced household financial stability, improved access to education and healthcare, and increased capacity for savings and productive investment. Indirect impacts, meanwhile, emerge through broader social processes, including the strengthening of community institutions, the diffusion of new ideas and practices brought by migrants, and the reinforcement of collective cultural and religious activities. Together, these layers of influence demonstrate that remittances operate not merely as financial transfers but as drivers of sustained socio-economic transformation within rural settings.

Indirect remittance contributions account for approximately 18% of the total and are often difficult to quantify in strictly economic terms. Although these forms of support are not always captured in formal datasets, they nonetheless exert meaningful influence through various social mechanisms, including informal participation in community activities, personal assistance to relatives or neighbors, and the circulation of knowledge, skills, and values. These indirect channels contribute to broader structural change by reinforcing social cohesion, shaping community norms, and facilitating the gradual diffusion of new practices within the village.

Remittances in this form are more symbolic and cultural for example, funding *wayang* performances, supporting ceremonial expenses, or assisting village youth in social activities. These types of contributions strengthen communal bonds and expand social networks among residents.

From the standpoint of local socio-economic restructuring, a portion of remittances is allocated to financing local labor or farmworkers, particularly in the cultivation of high value crops such as melons and highland vegetables. Migrants who invest in local agriculture typically use remittance funds to support key operational activities, including land preparation, crop maintenance, and harvesting.

This practice indirectly expands employment opportunities in the village, reduces unemployment pressure, and strengthens the circulation of the local economy. Liu et al. (2020) note that remittances channeled into labor-intensive sectors like agriculture have a dual effect not only increasing the income of migrant households but also reinforcing the community economy through job creation and rising demand for agricultural goods.

Agricultural investments funded by remittances in Banyusri tend to focus on high-value commodities, particularly melons and cattle. Melon farming has become an economic hallmark of the village due to its high market value and stable demand. However, the intensive care required for melon cultivation makes it highly labor-absorbing.

*"Melon farming is complicated it needs to be checked every day. But if it succeeds, the returns are quite substantial."* (M\_7\_B.3.1)

Thus, remittances serve a dual function as capital for agricultural enterprises and as a mechanism for generating new employment opportunities. This phenomenon aligns with the findings of de Haas (2010), who emphasizes that productive remittances can enhance rural development capacity when directed toward sectors with strong economic multiplier effects.

Beyond economic activities, a portion of remittance funds is also allocated to support village-level social initiatives related to agriculture, such as the construction of basic irrigation facilities, the purchase of shared equipment, and contributions to collective farming events (e.g., *nyadran sawah* and *bersih desa*).

This phenomenon highlights the close relationship between remittances and the strengthening of community social capital. According to Carling (2005), remittances carry social value by reinforcing solidarity networks and expanding reciprocal relationships among villagers forming what is referred to as the *moral economy of migration*.

In other words, remittance flows in Banyusri not only revitalize the agricultural economy but also reinforce the village's social structure through collective labor and citizen participation in self-managed development.

Overall, remittance contributions in Banyusri Village reveal two primary directions of socio-economic transformation. On the positive side, remittances enhance household welfare by improving access to basic needs and essential services, stimulate the growth of small enterprises, and encourage economic diversification through productive investments. They also strengthen social solidarity, as migrants regularly contribute to communal, religious, and cultural activities that reinforce collective cohesion. However, these benefits are accompanied by emerging negative dynamics. A new social stratum of "successful migrants" has begun to form, creating visible distinctions in consumption patterns and lifestyles between remittance recipients and non-recipients. In some cases, households may also develop dependency on remittances, which can reduce incentives for local economic engagement and contribute to widening socio-economic inequalities within the village.

This phenomenon aligns with De Haas (2007), who argues that remittances can operate as a double-edged sword: while they enhance local economic capacity, they may simultaneously widen social disparities if not supported by inclusive and equitable village development policies. In the case of Banyusri, ensuring that remittances are used productively while also being redistributed in ways that support social cohesion is essential for sustaining rural transformation.

Building on this dynamic, migrant remittances in Banyusri shape several interconnected domains of village life. At the household level, remittances contribute to family economic development through increased income stability, opportunities for investment, and improved living standards. At the community level, they strengthen social solidarity and reflect a shared willingness to contribute to collective initiatives. In terms of productivity, remittances stimulate the growth of local economic activities, from agricultural diversification to the expansion of small-scale enterprises. At the broader rural level, remittances influence cultural and traditional practices as returning migrants introduce new values and aspirations from urban environments. Collectively, these processes drive socio-economic transformation in Banyusri Village, resulting in the emergence of new economic classes, greater social participation, and the rise of economic inequality. Nevertheless, efforts to mitigate these disparities remain visible through various micro- and macro-level contributions made by both migrants and non-migrants.

### 3.3 Patterns of Remittance Flow and Circulation in the Agricultural Sector

In Banyusri Village, remittance flows into agriculture follow a dynamic and multi-stage circulation pattern. Migrants typically allocate remittance funds to finance high-value commodities such as melons and cattle, which require intensive care and operational investment. These funds are used for:

Table 4: Circulation of Remittances: From Migrants to Local Regeneration

Stage	Description	Key Activities
1. Migrants	Individuals working in urban areas or abroad	Earn income and prepare to send remittances
2. Remittance Transfer	Funds sent to families in Banyusri	Bank transfers, informal channels
3. Recipient Households	Families receiving remittances	Allocate funds across multiple needs
Allocation Channels		<ul style="list-style-type: none"> <li>- Household consumption (food, education)</li> <li>- Agricultural savings and capital</li> <li>- Land and equipment purchases</li> <li>- Payment for farm labor</li> <li>- Social/religious donations</li> </ul>
4. Village Economic Activities	Remittance-driven growth in local sectors	Agriculture → Small Enterprises → Community Development
5. Socio-Economic Transformation	Long-term impact on Banyusri's rural development	Improved welfare, job creation, stronger social cohesion

Source: Author's Interview Analysis, 2024

## 4. Discussion

Migration in Banyusri has unfolded across several historical waves, beginning with government-led transmigration programs in the 1960s–1970s, kinship-based spontaneous migration in the 1980s–1990s, and the rise of circular, aspiration-driven migration from the 2000s to the present. This trajectory suggests that migration occurs through both state-driven and self-initiated mechanisms, reinforcing Chelshi (2023) argument that limited agricultural resources and insufficient household land often trigger movement in search of better opportunities. The findings further emphasize the crucial role of migrant social networks, which reduce risks, lower migration costs, and encourage intergenerational mobility among Banyusri residents.

The findings indicate that migration in Banyusri Village is shaped by a combination of structural rural constraints, economic disparities between rural and urban regions, and the long-standing influence of migrant social networks. The predominance of long-distance and long-term migration 20 out of 39 respondents reflects the village's remote location and limited livelihood opportunities, with only a small proportion engaging in short-distance or short-term mobility. These patterns align with the migration push-pull explanations of Jedwab et al. (2017) and Douglass (1998), concept of rural–urban interconnectedness. However, the present study advances these theories by demonstrating that the dominance of long-distance migration in Banyusri is closely tied to spatial proximity or lack thereof between the village and regional growth centers, which shapes the structural necessity for migration.

Remittances play a multilayered role within the socio-economic landscape of Banyusri, supporting household stability while simultaneously contributing to community development. At the household level, remittances function not only as a primary source of consumption but also as a strategic economic instrument, financing education, healthcare, savings, and long-term investments. Monthly remittance transfers range from IDR 1,000,000 to 3,500,000, reflecting the strong moral obligation migrants maintain toward their families. Notably, 35% of respondents reported using remittances for productive investments including land purchases, livestock raising, and small enterprises while savings serve as a financial buffer, particularly during periods of declining agricultural income. At the community level, 43% of migrants contribute to social, religious, and cultural activities, reinforcing patterns of collective solidarity through mosque construction, traditional ceremonies, and communal events. These findings demonstrate the coexistence of economic and social remittances, mirroring Carling (2005) classification of remittance uses across household and community scales and echoing Nasrin et al. (2024), who highlight the developmental effects of remittances on human well-being. The present study expands these insights by detailing

how remittances reshape social and economic dynamics in rural communities through diverse forms of collective contribution.

Overall, remittances in Banyusri generate multidimensional impacts that extend from household welfare to community cohesion and village development. At the household level, remittances strengthen economic resilience through improved consumption capacity, educational attainment, healthcare access, savings, and asset accumulation. At the community level, remittances support shared infrastructure and cultural preservation, enhancing local social capital. Village level development benefits from migrant investments in agricultural tools, cultural assets, and collective activities. Symbolically, remittances elevate the social status of migrant donors and reinforce their identity within the village hierarchy. Indirect contributions such as participation in ceremonies, knowledge sharing, and youth support further expand social networks and cultural capital. Economically, remittances stimulate local labor demand in high value agricultural sectors, particularly melon and cattle farming, thereby creating employment opportunities and circulating capital within the village. While productive remittances foster rural diversification, they also generate emerging inequalities, evident in new social strata, differentiated consumption patterns, and household dependency on remittances. Collectively, these findings support de Haas's (2010) assertion that remittances act as a double-edged sword simultaneously driving positive transformation and reinforcing social disparities in rural development contexts.

## 5. Conclusion

Migration and remittances play a central role in shaping the socio-economic dynamics of Banyusri Village. Migration has emerged as an adaptive strategy for rural households in response to structural constraints, rural–urban economic disparities, and the declining viability of the agricultural sector. The predominance of long-distance and long-term migration driven by the village's geographic isolation and limited access to regional growth centers reinforces the relevance of push–pull theory and rural–urban linkage frameworks in explaining population mobility. The historical waves of migration also demonstrate that mobility is shaped not only by state policies but also by embedded migrant social networks that facilitate, normalize, and transmit migration practices across generations.

Remittances sent by migrants serve as a critical instrument for strengthening household economic resilience while simultaneously supporting community and village development. At the household level, remittances enhance consumption stability, access to education and health services, savings capacity, and productive investment. At the community level, remittances reinforce social solidarity through collective contributions to religious, cultural, and social facilities. At the village level, remittances stimulate economic regeneration through investments in high-value agricultural sectors and participation in local development initiatives. Beyond their material function, remittances also carry symbolic and social value, elevating the status of migrants and reinforcing their identities within the village's social structure.

However, the benefits of remittances are accompanied by consequences, including rising socio-economic inequality, the emergence of new social classes, and increased household dependency on migrant income. These findings support de Haas's (2010) argument that remittances operate as a “double-edged sword” in rural development: capable of promoting positive transformation while simultaneously widening disparities when not complemented by inclusive village development policies.

Overall, this study affirms that migration and remittances constitute structural forces driving rural transformation in Banyusri. Moving forward, optimizing the developmental impact of remittances will require strategies that strengthen productive economic use, reduce inequality, and integrate remittances more effectively into village development planning to ensure broader and more sustainable benefits for all segments of the community.

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