DETERMINANT OF ENTREPRENEURSHIP ACTION OF RESETTLED PEASANT DISPLACED BY LAND ACQUISITION

Embun Sari*1, Joyo Winoto**, Endriatmo Soetarto***, Zenal Asikin**)

*Ministry of Agrarian Affairs and Spatial Planning/National Land Agency Jl. H. Agus Salim No.58, Jakarta 10350, Indonesia ***\School of Business, IPB University SB IPB Building, Jl. Pajajaran, Bogor, Indonesia 16151, Indonesia ***\Faculty of Human Ecology, IPB University Jl. Kamper, IPB Dramaga Campus, Bogor, West Java 16680, Indonesia

Article history:

Received 22 July 2024

Revised 7 November 2024

Accepted 23 December 2024

Available online 24 January 2025

This is an open access article under the CC BY license (https://creativecommons.org/licenses/by/4.0/)





ABSTRACT

Background: In Indonesia, land acquisition policies prioritize providing compensation in the form of cash. This policy allows the community to obtain replacement land, investment, business capital, etc. Entrepreneurship is widely recommended as a more sustainable solution for the livelihoods of peasants who have lost their agricultural land. Entrepreneurship is a strategic solution for unemployment and employment discrimination of land-lost peasants.

Purpose: This research examines the entrepreneurial actions of peasants who lost land due to land acquisition in Indonesia.

Design/methodology/approach: The entrepreneurial actions of peasants who lost land due to land acquisition were revealed using questionnaire survey data from 125 farming households relocated due to the construction of an international airport in Kulon Progo, Yogyakarta.

Finding/Result: The research results show that entrepreneurial actions after land acquisition are significant with the variables of intention (feasibility), age, income, and understanding of land acquisition policies. Displaced peasants who have the confidence to conduct entrepreneurship are primarily in their older age with higher incomes and better acceptance of land acquisition policy.

Conclusion: Job/business training must continue on an ongoing basis, and mentoring and supervision must be carried out until people feel capable of becoming independent entrepreneurs. Originality/value (State of the art): This research was the first study on land-lost peasants' entrepreneurship due to land acquisition in Indonesia. The research results were expected to provide new evidence and understanding regarding the influence of land-lost farmers' knowledge of land acquisition policies on entrepreneurial actions.

Keywords: cash compensation, entrepreneurship action, displacement, land acquisition, resettled peasant

How to Cite:

Sari E., Winoto J., Soetarto E., & Asikin Z. (2025). Determinant of Entrepreneurship Action of Resettled Peasant Displaced By Land Acquisition . Indonesian Journal of Business and Entrepreneurship (IJBE), 11(1), 133. https://doi.org/10.17358/ijbe.11.1.133

Email: Embunsari69@gmail.com

¹Corresponding author:

INTRODUCTION

The expropriation of land, mainly belonging to vulnerable groups such as peasants, for development in the public interest has always been a matter of debate. Land acquisition for development is seen as a trigger for accumulation leading to dispossession and displacement driven by the interests of infrastructure investment and economic zones (White et al. 2012), food and energy estate (Ito et al. 2014); special economic zones (Levien, 2011), plantations (McCarthy et al. 2012; Gellert, 2015), and infrastructure (Sims, 2021). All of these studies believe that accumulation by dispossession (ABD) is a neoliberal form of acquiring the means of production for capital accumulation through methods not based on sound market principles or through the coercion of economic power (Levien, 2012). ADB is considered a new form of colonization with a resource control approach (Harvey, 2003). On the one hand, land acquisition is regarded as an inevitability of national and state life (FAO, 2008). The state regulates the allocation of rights, control, and authority of land (Peluso, 2005). Control and ownership of land is a bundle of exclusive (not absolute) rights limited by public or social interests (Barlowe, 1978). Law of the Republic of Indonesia Number 5 of 1960 on Basic Agrarian Law (BAL) Article 6 states that all land rights have social functions. It expresses that public interests are above all land rights. The Western concept and the BAL both recognize the limitations of ownership rights to land and the authority of the state to regulate allocation for public purposes.

Land acquisition for public purposes is a practice known and used for a long time by all countries worldwide. Land acquisition is believed to have been a significant source of progress in many Southern Hemisphere countries (Arrighi et al. 2010; Roy, 2022). Investment cannot be seen simply as plunder. Still, it must also be seen as an opportunity for less developed countries and peasants with limited education and skills to become part of this development. Various studies reveal the urgency of assisting peasants after land acquisition. Investment in new agricultural land is constrained not only by the availability of agricultural land but also by the social and cultural factors of peasants, who tend to be reluctant to live far from their place of origin (Fujikura and Nakayama, 2013). In Indonesia, land acquisition policies prioritize cash compensation payments, giving affected people the independence to continue their lives, whether buying replacement land

or setting up new businesses near their initial homes. However, programs are still needed that are specifically designed to equip recipients of compensation money on how to use the funds received for entrepreneurial purposes or other productive activities. The absence of entrepreneurial skills after land acquisition can also place peasants in fraud under the guise of investment (Isworo, 2023). Financial literacy and the use of credit have been proven to determine farmer household entrepreneurship (Liu et al. 2019). Therefore, it is necessary to study post-land acquisition strategies, especially entrepreneurship, to create accumulation without dispossession (AWD), where land-lost people are part of the development (Zhan, 2019). Land acquisition policy that ensures Pareto conditions where one party benefits without harming another (Pareto, 1927).

Two keys of land acquisition accelerations in Indonesia through Law Number 2 of 2012 are that the government can force compensation through court institutions and that the provision of compensation is prioritized in the form of money. For peasants, replacement land is the best option for investing compensation money. However, finding replacement land with the previous location and productivity or farming success will be challenging and impossible when the area becomes urban. Research by Dires et al. (2021) revealed that 78% of farmers who lost their land in Debre Markos, Ethiopia, spent the compensation they received on daily consumption costs. Only 15% and 17% used it for replacement farmland and commercial businesses. As a result, farmers only have a few options when the compensation money runs out. This happens because there is no training from the government on how to use cash for entrepreneurship. In Indonesia, current land acquisition policies do not involve stakeholder intervention and need more sustainable long-term plans, potentially putting communities at risk of spending compensation money (Heron and Kim, 2023). Ideally, there should be a post-land acquisition assistance program to ensure that compensation money is used to sustain livelihoods, especially for vulnerable groups of peasants who have lost their agricultural land.

Entrepreneurship is closely correlated with the level of subjective well-being of a nation (Svetek and Drnovsek, 2022). Farmers who diversify the marketing of agricultural products and have rural businesses tend to have better welfare than ordinary farmers (Kimmitt et al. 2020; Janker et al. 2021; Saridakis et al. 2021).

Entrepreneurship is widely recommended as a more sustainable solution for farmers' livelihoods who have lost their agricultural land (Bao et al. 2020). Research (Bao and Peng, 2016) shows that, in China, work- and village-labor-intensive collective programs cannot lift the economy of farmers who have lost land nationally. At the same time, cash compensation does not guarantee prosperity in the long term. However, the results of post-land acquisition training and entrepreneurship assistance have yet to show significant results, such as the peasants affected by the airport construction in Kulon Progo, Yogyakarta. Though, it is praised as the first, largest, fastest, and most successful Indonesian airport development project in the era of Law Number 2 of 2012 (Guild, 2019).

Different segments of farmers need different tailored entrepreneur development approaches (Bannor et al. 2021; Ntow et al. 2023). On the other hand, the evidence shows that peasants and their features do not conform to the growth-oriented concept of entrepreneurship (Wale and Chipfupa, 2021). Thus, this research will examine the effect of land acquisition, entrepreneur policy, and development plan on the entrepreneurial action of resettled peasants. This research was the first study on land-lost peasants' entrepreneurship due to land acquisition in Indonesia. The research results were expected to provide new evidence and understanding regarding the influence of land-lost peasants' knowledge of land acquisition policies on entrepreneurial actions. The results of this research can be a valuable resource for the government to create effective and efficient post-land acquisition policies in Indonesia. If many farmers who receive compensation money have the motivation to become entrepreneurs, then the compensation money can be used as initial capital for productive things.

METHODS

This research used primary data. A questionnaire survey was carried out in several villages, which are locations for constructing an international airport in Kulon Progo, Yogyakarta, Indonesia. The airport case was chosen not only because of the claim of success in land acquisition but also because the airport is currently fully operational and has positively impacted the surrounding community. The local government and airport authorities have also implemented entrepreneurship programs for peasants. However,

the positive impact of airports and entrepreneurship programs on the entrepreneurship of farmers who have lost their land has yet to be discovered with certainty.

Around 518 farmers were reported to have lost their homes due to the construction (Pemkab, 2023). Using a combination of purposive and snowball sampling, a household survey was carried out in December 2023 at relocation areas. The local government facilitated this survey, and 125 complete data were collected. This number is adequate for conducting correlation research analysis (Fraenkel et al. 2012). Focus group discussions and in-depth interviews involving representatives of farmers, local government, and airport managers were carried out to deepen the results of the study.

Regression analysis models the relationship among entrepreneurial actions, intentions, and land acquisition with more practical considerations. Regression analysis was chosen as widely used and more straightforward than other methods, such as structural equation modelling (Bao and Peng, 2016). This method is very suitable for use when it is difficult to obtain data due to the tendency of land-lost farmer communities, which is not easy or even refuses to become research objects (Bao and Peng, 2016; Nabila et al. 2021).

Suppose EA is the dependent variable of entrepreneurial action. In that case, EI is the independent variable of entrepreneurial intention where EI consists of the perception of desirability (PD) and perception of feasibility (PF) (Shapero and Sokol, 1982); LE is the independent variable for land acquisition; Controls are the control variables involved (gender, age, education, and income); α , β , and γ are the relevant coefficients for the variables EI, LE, and Control, respectively; a is a constant value; and ϵ is the error term in the regression, then the mathematical model of entrepreneurial intentions and actions becomes as follows:

EA = a +
$$\sum \alpha EI + \sum \beta LE + \sum \gamma Control + \epsilon$$
 (1)
EI = PD + PF (2)

Entrepreneurial actions are indicated by two indicators, namely someone who has carried out entrepreneurship or someone who has become an entrepreneur but is still working elsewhere. On the other hand. It is possible that someone has never taken entrepreneurial action and has always worked for someone else (Bao and Peng, 2016; Bao, et al. 2020). The realization of intentions is determined by the perception of desire and

one's suitability for entrepreneurship. Respondents are given a statement and asked to answer with the answer that best reflects themselves. The answer is the level of agreement with the statement submitted, expressed by strongly disagree, disagree, neutral, agree, and strongly agree (Allen and Seaman, 2007). Entrepreneurship questionnaire variables and statements in Table 1.

External indicators of land acquisition policies include land location, compensation value, and development plans. Land location consists of the location of the land taken over and the type of development on the land taken over (Bao and Peng, 2016; Bao et al. 2020). Landowners close to economic centers such as markets and shopping centers should tend to show more entrepreneurial actions. The development of public interest in entrepreneurial attitudes and its influence on entrepreneurial attitudes will also be studied.

Table 1. Entrepreneurship questionnaire variables and statements		
Variables - Statements	Source	
Entrepreneurial Action (EA)	(Sexton and Bowman, 1985; Bao and Peng,	
EA1 - I have started entrepreneurship		
EA2 - I have always worked for other people and have never started entrepreneurship	2016; Bao, et al. 2020)	
EA3 - I also had another job when I started entrepreneurship		
Entrepreneurial Intention (EI): Perceptions of Desirability (PD)	(Shapero and Sokol,	
EI1 - I really want to start my own entrepreneur/business	1982; Bao and Peng,	
EI2 - I would be very passionate about entrepreneurial activities	2016; Bao, et al. 2020)	
EI3 - Entrepreneurship is very interesting to me		
EI4 - The desire for entrepreneurship is very strong for me		
EI5 - I really want to be an entrepreneur		
EI6 - I will be satisfied if I find a way to continue being an entrepreneur		
Entrepreneurial Intention (EI): Perceptions of Feasibility (PF)		
EI7 - I have prepared myself for entrepreneurship		
EI8 - I think my entrepreneurial suitability is high		
EI9 - I think entrepreneurship will be very difficult for me		
EI10 - I can get entrepreneurial resources from my family or friends		
EII1 - I think my chances of entrepreneurial success are very high		
Land acquisition policy (LE)		
Land location	(Bao and Peng, 2016;	
LE1 - The distance of the land affected by land acquisition to the economic center (market/shopping center) will influence entrepreneurship	Bao, et al. 2020)	
LE2 - Types of development for the public interest built on land subject to land acquisition (airports, dams, toll roads, etc.) will influence entrepreneurship		
Compensation value		
LE3 - High amounts of compensation will discourage entrepreneurship		
LE4 - An appropriate amount of compensation is required to reduce the financial burden of entrepreneurship		
Entrepreneurial policy		
LE5 - Carrying out entrepreneurship assistance will encourage entrepreneurship		
LE6 - Carrying out entrepreneurship training will encourage entrepreneurship		
Development plans	(Susanto, 2020;	
LE7 - Information on regional spatial plans and/or detailed spatial plans encourage entrepreneurship	Angelidou and Mora, 2019)	
LE8 - Information on medium- and long-term development plans encourage entrepreneurship		
LE9 - Information on land acquisition plans for development in the public interest to encourage entrepreneurship		

The influence of compensation value is also studied in entrepreneurial actions (Bao and Peng, 2016; Bao, et al. 2020). Does a high amount affect entrepreneurial action, or is the amount sufficient to reduce financial needs and incredibly initial entrepreneurial capital? Whether or not mentoring and training are available will also be studied to determine their influence on entrepreneurial actions. Job and business training organized by local governments and airport authorities is an effort to restore farmers' livelihoods after land acquisition (Pemkab, 2023). In Indonesia, entrepreneurial policy programs at the micro level rely on creating adequate skills, motivation, and greater exposure (Marsaoli and Kusumasari 2022). However, the effectiveness of job and business training programs in encouraging entrepreneurship has yet to be known.

Finally, understanding development policies or spatial planning influences entrepreneurial actions. The airport's construction will create a new economic center with various business opportunities. claimed that land-lost farmers who know the longterm development plan see land acquisition projects as entrepreneurial opportunities (Susanto, 2020). However, the extent to which understanding the longterm development plan influences entrepreneurship remains to be determined. This research introduces variables to assess the influence of development policy knowledge and entrepreneurship. The combination of urban planning and entrepreneurial policy is an interdisciplinary combination that has the potential to drive rapid growth (Angelidou and Mora, 2019). Public interest development is part of a long-term development program. Suppose someone understands the longterm development plan and whether it influences entrepreneurial actions. This is intended to encourage the community to be more part of development and prevent the emergence of one-sided speculation, which is detrimental to the community affected by land acquisition.

To better measure the relationship between entrepreneurial actions and land acquisition, the regression uses control variables, such as respondent background, impact, and response to land acquisition. Respondents' backgrounds include gender, age, and education. Land acquisition, which results in forced displacement, causes eight interrelated social impacts, namely, becoming landless, unemployed, homeless, marginalized, food insecurity, morbidity and mortality issues, loss of access to common property, and

social disintegration (Carnea, 2016; Carnea, 2021). Agricultural land is the principal capital for farmers' livelihoods, while agricultural and non-agricultural jobs are a livelihood strategy in rural areas (Huang, et al. 2017). Therefore, the land area acquired, the value of compensation received, and whether or not family members have lost their jobs are chosen as additional control variables. The variable area and compensation value were chosen to replace the compensation value variable, which did not pass the validity test. These two variables will help to understand the entrepreneurial actions of different classes of farmers, which should be reflected in the compensation value. Farmers' understanding of land acquisition policies is also studied to see whether it influences entrepreneurial actions. The ability to see opportunities arising from development plans is claimed to influence entrepreneurial action (Angelidou and Mora, 2019; Susanto, 2020). However, the influence of knowledge on land acquisition policies still needs to be determined. Finally, the vocational training variable is used to assess the effectiveness of existing training programs in entrepreneurship carried out by local government and airport authorities on entrepreneurial actions. This variable avoids potentially subjective assessments of entrepreneurial policy variables.

This research begins with the hypothesis that local governments and project owners have implemented sporadically post-land acquisition entrepreneurship training and mentoring programs, but they could be more effective. This hypothesis is based on the fact that farmers' livelihoods have not yet fully recovered as they were before land acquisition (Nabila et al. 2021; Isworo, 2023; Heron and Kim, 2023; Sari et al. 2024). Despite this, the impact of the new airport on local economic growth is starting to be seen (Susanto, 2020).

Farmers who were affected by land acquisition and lost their homes and agricultural land are expected to be able to continue their livelihood. One strategy to do so is to pursue entrepreneurship. The local government and project owners have implemented education, training, and other entrepreneurial policies to encourage entrepreneurship among these farmers. Entrepreneurship is seeing and maximising opportunities to start an independent business (Sexton and Bowman, 1985). However, entrepreneurial actions will depend on the intentions that arise due to the desire and feasibility of entrepreneurship (Bao and Peng, 2016). This research examines the factors influencing farmers' entrepreneurial action related to entrepreneurship policies, land acquisition policies, land location, understanding of development plans, and farmer background as control variables. Control variables include gender, age, education, income, size of area acquired, value of cash compensation, status of whether family members have lost their jobs, job/business training, and understanding of land acquisition policies. Research Framework in Figure 1.

RESULTS

Respondent Profile

Most respondents are male heads of families, with the largest age group being 51 - 60 years old (Table 2). The respondents' general education is relatively good because only 18 people did not graduate or only graduated from elementary school. The family income of most of the respondents (80 people) was below 2.5 million rupiah per month. Most of the land acquired is under 0.5 Ha, or if all agricultural land is owned, they are classified as peasants (gurem). The compensation received by each respondent's family was mostly above 0.5 billion, and some 25 families received more than 2 billion. About half of respondents reported that at least one family had lost land after land acquisition. A total of 43 respondents reported that they or their family members had attended work/business training. The level of understanding of land acquisition policies is relatively low. Namely, only 7 people understand, and 20 people really understand the objectives, procedures and broad impacts of land acquisition policies.

Reliability and Validity Test

The questionnaire model used to study entrepreneurial actions after land acquisition is a modified model that has passed the reliability test (Bao and Peng, 2016). However, considering the differences in the background of the country of origin of the research and model modifications, reliability testing needs to be carried out again to test the consistency of the data produced from the questionnaire used. Considering that entrepreneurship data is presented in a scale interval of 1 - 5, reliability testing was conducted using Cronbach's Alpha technique using the SPSS application. As a result, the resulting data can be used for further analysis if it meets a minimum reliability test of 0.5. The data is reliable if it is more significant than 0.7 (Bao and Peng, 2016).

Based on the reliability test results (Table 3), all Cronbach's Alpha coefficients are more than 0.6 except for the land acquisition policy indicator in compensation value. The answers to the two questions describing the amount of compensation and its relationship to entrepreneurship need to be more consistent between one respondent and another. This could be due to the ambiguity of the questionnaire questions or differences in understanding about the relationship between the amount of compensation and entrepreneurship. The significant factor of compensation value is excluded at the next statistical analysis stage. Therefore, control variables are used in the form of the area of land acquired and the value of compensation received, which is expected to describe the same impact as the land acquisition policy in the form of compensation value.

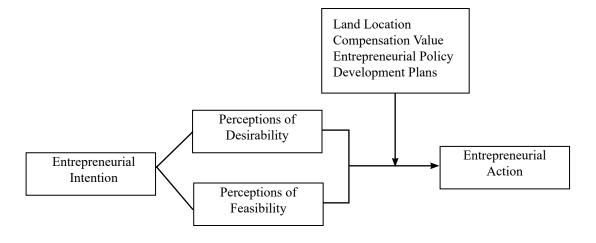


Figure 1. Research framework

Table 2. Entrepreneurial action control variables data (N=125)

Variables	Scale	Sample	Variables	Scale	Sample
Gender			Land area released		
Male	1	86	< 0.5 Ha	1	117
Female	0	39	0.5 – 1.99 Ha	2	7
Age			2 - 2.99 Ha	3	1
30 and under	1	34	Compensation value*		
31 - 40	2	18	< 0.5 B	1	14
41 - 50	3	27	0.5 – 1 B	2	46
51 - 60	4	40	1 - 2 B	3	40
over 60	5	6	> 2 B	4	25
Education			Loss of a job		
Didn't graduate elementary school	0	2	Yes	1	61
Elementary school	1	16	No	2	64
Junior high school	2	22	Vocational training		
High school	3	65	Yes	1	43
Academy/University	4	20	No	2	82
Income*			Understanding of land acquisition policies		
< IDR 1.5 million	1	39	Very clueless	1	27
IDR 1.5 million - IDR 2.5 million	2	41	Do not understand	2	56
IDR 2.5 million - IDR 3.5 million	3	15	Neutral	3	15
> IDR 3.5 million	4	30	Understand	4	7
			Very Understanding	5	20

Table 3. Reliability test results

Variable	Number of instruments	Cronbach's Alpha Coefficient		
Entrepreneurial Action	3	0.699		
Perceptions of desirability	6	0.984		
Perceptions of feasibility	5	0.866		
Location	2	0.980		
Compensation value	2	0.423		
Entrepreneurial policy	2	0.940		
Development plans	3	0.956		

Validity testing is needed to determine how much the instrument can capture the actual value. Validity testing was carried out using the product moment correlation approach. This correlation technique finds relationships and proves the relationship hypothesis between two variables in interval or ratio data (Sugiyono 2023). In simple terms, the calculation is done by determining the correlation of the response to each question with the total response to all questions forming the variable. The results of the validity test on the components of action, intention, and land acquisition policy as a result of the questionnaire are shown in Table 4.

If the error level is set at 0.5% (95% confidence level) and N = 125, then the r table value = 0.176 (Sugiyono, 2023). Based on the validity test results, where the overall calculated r value is greater than the r table, it can be concluded that all indicators have a correlation, or in other words, all indicators meet the validity test. The Sig. (2-tailed) value for all indicators is below 0.05, confirming that the indicators used are valid.

Regression Results

Ordinary least squares regression (OLS) was used to calculate entrepreneurial action regression using equation (1). The regression results with the SPSS application are shown in Table 5. Based on the regression

results, the coefficient of determination of the resulting regression model (R^2) is 0.4565. This means that the independent variables of perceived feasibility, age, income, and level of understanding of land acquisition policies explain 45.65% of the dependent variable of entrepreneurial action.

Overall, the regression model for entrepreneurial action involves perceptions of interest (desire and feasibility), land location, entrepreneurial policy, and development plans, as well as the respondent's background (age, education, income, area of land acquired, compensation value, job loss, job training/enterprise, and understanding of land acquisition policies), is significant. This is addressed by the F test value (p-value < 0.05). However, only 4 of the 14 independent variables significantly influence the

dependent variable of entrepreneurial action. These variables are perceived feasibility, age, income, and level of understanding of land acquisition policies with significance values of 0.006, 0.010, 0.040 (p-value <0.05), and 0.097 (p-value <0.10), respectively.

EA =
$$1.462 + 0.238$$
EIFeasibility + 0.477 Age-
0.478Income + 0.317 R12 + ε (3)

Where EA is entrepreneurial action after land acquisition, EIFeasibility is the perceived feasibility of entrepreneurial intentions; Age is the age of the respondent, Income is the income of the respondent or the respondent's family after land acquisition, R12 is the respondent's level of understanding of the meaning of land acquisition.

Table 4. Validity test results

Variabel		Sig.
		(2-tailed)
EA1 - I have started entrepreneurship	0.819	0.000
EA2 - I have always worked for other people and have never started entrepreneurship	0.659	0.000
EA3 - I also had another job when I started entrepreneurship	0.888	0.000
EI1 - I really want to start my own entrepreneur/business	0.953	0.000
EI2 - I would be very passionate about entrepreneurial activities	0.973	0.000
EI3 - Entrepreneurship is very interesting to me	0.967	0.000
EI4 - The desire for entrepreneurship is very strong for me	0.969	0.000
EI5 - I really want to be an entrepreneur	0.976	0.000
EI6 - I will be satisfied if I find a way to continue being an entrepreneur	0.938	0.000
EI7 - I have prepared myself for entrepreneurship	0.916	0.000
EI8 - I think my entrepreneurial suitability is high	0.910	0.000
EI9 - I think entrepreneurship will be very difficult for me	0.502	0.000
EI10 - I can get entrepreneurial resources from my family or friends	0.820	0.000
EI11 - I think my chances of entrepreneurial success are very high	0.863	0.000
LE1 - The distance of the land affected by land acquisition to the economic center (market/shopping center) will influence entrepreneurship	0.963	0.000
LE2 - Types of development for the public interest built on land subject to land acquisition (airports, dams, toll roads, etc.) will influence entrepreneurship	0.962	0.000
LE3 - High amounts of compensation will discourage entrepreneurship	0.807	0.000
LE4 - An appropriate amount of compensation is required to reduce the financial burden of entrepreneurship	0.785	0.000
LE5 - Carrying out entrepreneurship assistance will encourage entrepreneurship	0.971	0.000
LE6 - Carrying out entrepreneurship training will encourage entrepreneurship	0.971	0.000
LE7 - Information on regional spatial plans and/or detailed spatial plans encourage entrepreneurship	0.954	0.000
LE8 - Information on medium- and long-term development plans encourage entrepreneurship	0.972	0.000
LE9 - Information on land acquisition plans for development in the public interest to encourage entrepreneurship	0.949	0.000

Table 5. Summary of regression results

	Dependent variable: entrepreneurial action						
Variables independent	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
				. T	Sig.		
	В	Std. Error	Beta			Tolerance	VIF_
Constant	1.462	1.773		0.825	0.411		
Perception of desires	0.086	0.058	0.233	1.479	0.142	0.196	5.102
Perception of feasibility	0.238	0.084	0.421	2.824	0.006*	0.219	4.570
Land location	-0.093	0.171	-0.071	-0.543	0.589	0.282	3.546
Entrepreneurship policy	0.031	0.220	0.023	0.141	0.888	0.181	5.539
Development plan	-0.013	0.144	-0.015	-0.092	0.927	0.183	5.478
Age	0.477	0.183	0.190	2.605	0.010*	0.912	1.097
Gender	-0.212	0.546	-0.030	-0.389	0.698	0.800	1.250
Education	0.196	0.267	0.057	0.734	0.464	0.806	1.240
Income	-0.478	0.230	-0.169	-2.076	0.040*	0.738	1.354
Land area released	0.286	0.893	0.025	0.320	0.750	0.774	1.292
Compensation value	0.076	0.349	0.017	0.219	0.827	0.830	1.204
Loss of a job	-0.424	0.501	-0.065	-0.846	0.400	0.815	1.227
Job/business training	-0.579	0.512	-0.085	-1.131	0.260	0.865	1.155
Understanding land acquisition policies	0.317	0.189	0.130	1.674	0.097**	0.812	1.232
Coefficient of determination (R2)			= 0.465				
F			= 6.818				
Sig. F			= 0.000				
Number of significant independent variable	es		= 4 of 14				
N			= 125				

^{*} Significant with p value < 0.05; ** Significant with p value < 0.10

The priority of providing compensation in the form of cash, on the one hand, includes freedom of use but, on the one hand, has the potential to create a wasteful lifestyle for the recipient community. For people whose livelihoods depend on land, such as farmers, obtaining replacement land is the main priority for using compensation money. This is illustrated by 125 samples where as many as 49% spent most of the compensation money on replacement land. Only 13% of respondents used compensation money for commercial business purposes. As many as 48.8% of respondents lost their jobs due to land acquisition. The efforts being promoted by local government and project proponents to restore people's livelihoods include entrepreneurial training and assistance. For farmers who obtain replacement agricultural land, entrepreneurship should increase their ability to market their agricultural products and positively affect the diversification of farming income (Yoshida et al. 2019). However, there is no correlation between job/ business training and community response capacity after land acquisition. This strengthens the hypothesis

that existing entrepreneurship training policies must still be more effective and efficient. Therefore, knowing the factors determining entrepreneurial actions after land acquisition is essential for improving post-land acquisition entrepreneurship programs.

Indicators of intention in the form of perceived feasibility are strongly related to entrepreneurial actions after land acquisition. Meanwhile, intentions in the form of perceptions of personal desires are not significant in entrepreneurial actions. The influence of intention on entrepreneurial action aligns with the research findings of Bao and Peng (2016), strengthening the theory of intention and entrepreneurship (Krueger and Carsrud, 1993; Krueger et al. 2000). This finding confirms the critical role of business training carried out by PT Angkasa Pura I as a project proponent and the local government after the land acquisition for the airport in Kulon Progo. As many as 34.4% of respondents stated that they or at least one family member had attended job/business training before and after land acquisition. However, the regression results do not show the significance of job/business training on entrepreneurial actions. This can be caused by the nature of job and business training held after land acquisition, which needs to be more consistent and sustainable. Not monitoring and mentoring after job and business training has affected self-confidence in starting entrepreneurial action. Continuous mentoring must accompany business training; more than one-time training is required. Training alone is insufficient to make people feel worthy of starting a business or abandoning dependence on working for other people, even as labourers. Policymakers must create a proactive environment and design programs encouraging entrepreneurial awareness (Tan et al. 2021).

The age variable is significant for entrepreneurial actions. Entrepreneurial actions go hand in hand with increasing age. This aligns with the finding that successful people in entrepreneurship are generally mature and not young (Azoulay et al. 2020; Zhao et al. 2020). This finding contrasts the priority of job/ business training after land acquisition. Job/business training carried out by PT Angkasa Pura I and local governments only aims at productive or young people. Even though the largest community most affected by land acquisition are farmers, most of whom are elderly. Many have entrepreneurial experience, although it is limited to buying and selling agricultural products. This could be why job and business training did not correlate with communities after land acquisition. It is known that 34.4% of respondents or at least one family member had attended job/business training. The government and other stakeholders must evaluate the targets of entrepreneurial training programs that only focus on the young age group. The age group 45 - 60years (middle-aged) should be a priority in training, which is intended to create entrepreneurs who can be independent and even create jobs for other generations. Increased entrepreneurship in the older age group has been found in many developed countries, such as Australia (Maritz et al. 2021). However, entrepreneurial development programs in Indonesia still focus on the younger generation (Marsaoli and Kusumasari 2022). Increasing the age of farmers is also associated with increasing innovative behaviour, which can encourage entrepreneurship (Widiyanti and Cahyadin, 2024).

The regression results also show that income is the only variable negatively influencing entrepreneurial actions. Besides being found in old age, entrepreneurship is not commensurate with high income. This shows that farmers in Kulon Progo, after land acquisition, take entrepreneurial actions that are more driven by necessity than by gaining more income. They carry out entrepreneurship to support the sustainability of their livelihoods after land acquisition. Entrepreneurial actions are closely related to changing jobs to entrepreneurship in old age, which negatively impacts income but is comparable to the increased quality of life (Kautonen et al. 2017). Farmers with more significant and steady income, whether from agricultural or nonagricultural sources, tend to be reluctant to become entrepreneurs. These findings emphasize that efforts to foster entrepreneurship are not limited to productive/ young groups but to mature groups who want quality of life for their families and others. In old age, entrepreneurship encourages independence and affects life expectancy (Wickstrøm et al. 2020). The type of business provided must be based on a business close to the community's background, such as small and medium enterprises processing agricultural products. Capital problems often hamper low-income groups, especially if the group is middle-aged. Apart from promoting inclusive job/business training, stakeholders must also provide access to business capital for older people.

Land acquisition for constructing an airport in Kulon Progo has been proven to create a new growth center. The government has socialized the positive impacts that the surrounding community will obtain in the planning and preparation of land acquisition. However, the level of public understanding of land acquisition varies. People who are entrepreneurs tend to be actively involved in the development process and tend to be able to adapt, thereby creating space for compromise (Stapper and Duyvendak, 2020; Mitra et al. 2020; Ntow et al. 2023). On the other hand, people who understand tend to anticipate the potential after land acquisition, one of which is through entrepreneurship. This is aimed at the significant regression results of entrepreneurial actions and the level of respondents' understanding of the meaning of land acquisition. People who receive information and know about land acquisition and development plans will be more active because they can see the opportunities that arise (Susanto 2020). Understanding urban development plans correlates widely with entrepreneurship (Angelidou and Mora 2019). These findings show the importance of socialization in the early stages of land acquisition.

Socialization aims not only to obtain community approval and participation in development projects. It is hoped that community participation will not be limited to the land acquisition process but how the community can actively utilize various opportunities after land acquisition, one of which is through entrepreneurship.

Managerial Implications

Policymakers must make inclusive, sustainable entrepreneurship policies that are not sporadic and limited to specific age groups. Supervision and monitoring must be part of the entrepreneurship program so people can become entrepreneurs independently. Socialization in the early stages of the land acquisition process must be considered more than just an administrative process. However, it must be part of encouraging community entrepreneurship through the ability to see business opportunities along with successful land acquisition and development.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The entrepreneurial actions of peasants who lost land due to the airport development in Kulon Progo were influenced by intention due to perceived feasibility, age, income, and understanding of land acquisition policies. Entrepreneurship policies must be implemented continuously, including mentoring and monitoring. The main target is the older adult age group. Socialization of land acquisition and development policies will increase the ability to see business opportunities and entrepreneurship of peasants affected by land acquisition. Desire, land location, entrepreneurship policy, development plan, gender, education, land area released, compensation value, loss of a job, and Job/ business training were insignificant to entrepreneurship action. This indicates that farmers' entrepreneurial actions are not due to intentions arising from land location, business opportunities, or government programs. The existence of families who lose their jobs due to land acquisition also does not encourage farmers to become entrepreneurs. Entrepreneurship is more a matter of the farmer's choice to continue their life after land acquisition. The ineffectiveness of existing job and business training can cause this.

Recommendations

Restoring peasants' livelihoods and ensuring they are part of the post-land acquisition growth takes work. Entrepreneurship is an alternative to realizing accumulation without dispassion (AWD) amidst limited work, farmer skills, or agricultural land. Job/ business training needs to be carried out on an ongoing basis. Assistance and monitoring must be provided until people can become independent entrepreneurs. Providing value chain incentives can be an alternative to stimulating peasant entrepreneurship (Manyise and Dentoni 2021). Age positively correlates with entrepreneurial actions, correcting the local government and PT Angkasa Pura I job/business training policies prioritizing only the younger generation or productive age. Community entrepreneurship after land acquisition is like the trend in the world where becoming an entrepreneur is generally found in the mature "middle age".

This research has some areas that could be improved in future research, such as the sampling technique, data analysis model, and the scope of the variables. To improve the results, household surveys could be conducted using random sampling. Other models, such as Structural Equation Modeling (SMI), could be adopted. Other variables, such as financial literacy and farmers' use of credit, could be used to understand better why large amounts of cash compensation do not determine entrepreneurial action.

FUNDING STATEMENT: This research did not receive any specific grant from public, commercial, or not-for-profit funding agencies.

CONFLICTS OF INTEREST: The author declares no conflict of interest.

REFERENCES

Allen, I. E., & Seaman, C. A. (2007). Likert scales and data analyses. Quality Progress, 40(7), 64-65.

Angelidou, M., & Mora, L. (2019). Developing synergies between social entrepreneurship and urban planning. disP - The Planning Review, 55(4), 28-45.

Arrighi, G., Aschoff, N., & Scully, B. (2010).

Accumulation by dispossession and its limits:

The Southern Africa paradigm revisited. Journal

- of Agrarian Change, 45, 410-438.
- Azoulay, P., Jones, B. F., Kim, J. D., & Miranda, J. (2020). Age and high-growth entrepreneurship. American Economic Review: Insights, 1(1), 65-82.
- Bannor, K. R., Ros-Tonen, M. A. F., Mensah, P. O., Derkyic, M., & Nassah, F. V. (2021). Entrepreneurial behaviour among non-timber forest product-growing farmers in Ghana: An analysis in support of a reforestation policy. Forest Policy and Economics, 122, 102231.
- Bao, H., & Peng, Y. (2016). Effect of land expropriation on land-lost farmers' entrepreneurial action: A case study of Zhejiang Province. Habitat International, 53, 342-349.
- Bao, H., Donga, H., Jia, J., Peng, Y., & Li, Q. (2020). Impacts of land expropriation on the entrepreneurial decision-making behavior of land-lost peasants: An agent-based simulation. Habitat International, 95, 102096.
- Barlowe, R. (1978). Land resource economics: The economics of real estate. Englewood Cliffs, NJ: Prentice-Hall.
- Carnea, M. M. (2016). Social impact assessments and safeguard policies at a fork in the road: The way forward should be upward. In H. M. Mathur (Ed.), Assessing the social impact of development projects. New Delhi: Springer.
- Carnea, M. M. (2021). The risks and reconstruction model for resettling displaced populations. Social Development in the World Bank.
- Dires, T., Fentie, D., Hunie, Y., Nega, W., Tenaw, M., Agegnehu, S. K., & Mansberger, R. (2021). Assessing the impacts of expropriation and compensation on livelihood of farmers: The case of peri-urban Debre Markos, Ethiopia. Land, 10(64).
- FAO. (2008). Compulsory acquisition of land and compensation. Rome: Land tenure studies electronic publishing policy and support branch.
- Fraenkel, J. R., Wallen, N. E., & Hyun, H. H. (2012). How to design and evaluate research in education (8th ed.). New York: McGraw-Hill.
- Fujikura, R., & Nakayama, M. (2013). The long-term impacts of resettlement programmes resulting from dam construction projects in Indonesia, Japan, Laos, Sri Lanka and Turkey: A comparison of land-for-land and cash compensation schemes. International Journal of Water Resources Development, 29(1), 4-13.
- Gellert, P. K. (2015). Palm oil expansion in Indonesia:

- Land grabbing as accumulation by dispossession. In States and citizens: Accommodation, facilitation and resistance to globalization (pp. 65-99).
- Guild, J. (2019). Land acquisition in Indonesia and law no. 2 of 2012. ADBI Working Paper Series, 1036
- Harvey, D. (2003). The new imperialism. New York: Oxford University Press Inc.
- Heron, H., & Kim, M. S. (2023). Between chili farms and an aerotropolis: The struggle against the new airport in Yogyakarta, Indonesia. South East Asia Research, 31(1), 51-71.
- Huang, X., Huang, X., He, Y., & Yang, X. (2017). Assessment of livelihood vulnerability of landlost farmers in urban fringes: A case study of Xi'an, China. Habitat International, 59, 1-9.
- Isworo, E. J. (2023). The social impacts of large-scale land acquisition on local communities livelihood (The case of New Yogyakarta International Airport, Indonesia). Groningen: The University of Groningen.
- Ito, T., Rachman, N. F., & Savitri, L. A. (2014). Power to make land dispossession acceptable: A policy discourse analysis of the Merauke Integrated Food and Energy Estate (MIFEE), Papua, Indonesia. The Journal of Peasant Studies, 41(1), 29-50.
- Janker, J., Vesala, H. T., & Vesala, K. M. (2021). Exploring the link between farmers' entrepreneurial identities and work wellbeing. Journal of Rural Studies, 82, 117-126.
- Kautonen, T., Kibler, E., & Minniti, M. (2017). Late-career entrepreneurship, income and quality of life. Journal of Business Venturing, 32(3), 318-333.
- Kimmitt, J., Muñoz, P., & Newbery, R. (2020). Poverty and the varieties of entrepreneurship in the pursuit of prosperity. Journal of Business Venturing, 35, 105939.
- Krueger, N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: Applying the theory of planned behaviour. Entrepreneurship & Regional Development: An International Journal, 5(4), 315-330.
- Krueger, N. F., Reilly, D. M., & Carsrud, A. L. (2000). Competing models of entrepreneurial intentions. Journal of Business Venturing, 15(5-6), 411-432.
- Levien, M. (2011). Special economic zones and accumulation by dispossession in India. Journal of Agrarian Change, 11(4), 454-483.

- Levien, M. (2012). The land question: Special economic zones and the political economy of dispossession in India. The Journal of Peasant Studies, 39(3-4), 933-969.
- Liu, T., He, G., & Turvey, C. G. (2019). Inclusive finance, farm households entrepreneurship, and inclusive rural transformation in rural poverty-stricken areas in China. Emerging Markets Finance and Trade.
- Manyise, T., & Dentoni, D. (2021). Value chain partnerships and farmer entrepreneurship as balancing ecosystem services: Implications for agri-food systems resilience. Ecosystem Services, 49, 101279. https://doi.org/10.1016/j.ecoser.2021.101279
- Maritz, A., Eager, B., & De Klerk, S. (2021). Entrepreneurship and self-employment for mature-aged people. Australian Journal of Career Development, 30(1), 3-14.
- Marsaoli, R. P., & Kusumasari, B. (2022). Understanding entrepreneurship policy program in Indonesia: An analysis at micro and macro level. Indonesian Journal of Business and Entrepreneurship, 8(2), 169-181.
- McCarthy, J. F., Vel, J. A. C., & Afiff, S. (2012). Trajectories of land acquisition and enclosure: Development schemes, virtual land grabs, and green acquisitions in Indonesia's Outer Islands. The Journal of Peasant Studies, 39(2), 521-549.
- Mitra, J., Sokolowicz, M., Weisenfeld, U., Kurczewska, A., & Tegtmeier, S. (2020). Citizen entrepreneurship: A conceptual picture of the inclusion, integration and engagement of citizens in the entrepreneurial process. Journal of Entrepreneurship and Innovation in Emerging Economies, 6(2), 242-260.
- Nabila, F., Shohibuddin, M., & Soetarto, E. (2021).

 Perubahan peran perempuan setelah pengadaan tanah untuk pembangunan Yogyakarta International Airport: Kasus Kalurahan Kebonrejo di Kabupaten Kulonprogo, Daerah Istimewa Yogyakarta. BHUMI: Jurnal Agraria dan Pertanahan, 7(2), 226-243.
- Ntow, T. K., Wongnaa, C. A., Nyadu-Addo, R., Addison, M., Awunyo-Vitor, D., & Abokyi, E. (2023). Effects of entrepreneurial behaviour on market outlets choice: Evidence from rice producers in Ashanti Region, Ghana. Sustainable Technology and Entrepreneurship, 2, 100037.
- Pareto, V. (1927). Manuel d'économie politique (2nd ed.). Paris: Girand.

- Peluso, N. L. (2005). Seeing property in land use: Local territorializations in West Kalimantan, Indonesia. Geografisk Tidsskrift-Danish Journal of Geography, 105(1), 1-15.
- Pemkab. (2023). Program permukiman kembali dan pemulihan ekonomi masyarakat terdampak pengadaan tanah bandar udara di Kulon Progo. Wates: Pemerintah Kabupaten Kulon Progo.
- Roy, A. (2022). Political economy of dispossession and economic change: A case of Rajarhat in West Bengal, India. The International Journal of Community and Social Development, 4(1), 10-38.
- Sari, E., Winoto, J., Soetarto, E., Asikin, Z., Ayu, S. F., & Nauly, M. (2024). Livelihood Vulnerability Index of Resettled Peasants Displaced by Land Acquisition of An Airport. Journal of Human, Earth, and Future, 5(4), 629-642
- Saridakis, G., Georgellis, Y., & Muñoz Torres, R. I. (2021). From subsistence farming to agribusiness and nonfarm entrepreneurship: Does it improve economic conditions and well-being? Journal of Business Research, 136, 567-579.
- Sexton, D. L., & Bowman, N. (1985). The entrepreneur: A capable executive and more. Journal of Business Venturing, 1(1), 129-140.
- Shapero, A., & Sokol, L. (1982). The social dimensions of entrepreneurship. In Encyclopedia of Entrepreneurship (pp. 72-90).
- Sims, K. (2021). Infrastructure violence and retroliberal development: Connectivity and dispossession in Laos. Third World Ouarterly, 42(9), 1788-1808.
- Stapper, E. W., & Duyvendak, J. W. (2020). Good residents, bad residents: How participatory processes in urban redevelopment privilege entrepreneurial citizens. Cities, 107, 102898.
- Sugiyono. (2023). Statistika untuk penelitian (Cetakan ke-32). Bandung: Alfabeta.
- Susanto, H. (2020). Analisis dampak sosial ekonomi dalam pembangunan Bandara Yogyakarta International Airport (YIA) di Kabupaten Kulon Progo. Majalah Ilmiah Bijak, 17(1), 1-9.
- Svetek, M., & Drnovsek, M. (2022). Exploring the effects of types of early-stage entrepreneurial activity on subjective well-being. Journal of Happiness Studies, 23, 149-170.
- Tan, L. P., Pham, L. X., & Bui, T. T. (2021). Personality traits and social entrepreneurial intention: The mediating effect of perceived desirability and perceived feasibility. The Journal of Entrepreneurship, 30(1), 56-80.

- Wale, E., & Chipfupa, U. (2021). Entrepreneurship concepts/theories and smallholder agriculture: Insights from the literature with empirical evidence from KwaZulu-Natal, South Africa. Transactions of the Royal Society of South Africa, 76(1), 67-79.
- White, B., Borras, S. M., Hall, R., Scoones, I., & Wolford, W. (2012). The new enclosures: Critical perspectives on corporate land deals. The Journal of Peasant Studies, 39, 619-647.
- Wickstrøm, K. A., Klyver, K., & Cheraghi-Madsen, M. (2020). Age effect on entry to entrepreneurship: Embedded in life expectancy. Small Business Economics.
- Widiyanti, E., & Cahyadin, M. (2024). The causality and threshold levels of innovative work and

- entrepreneurial behaviours of millennial farmers: Do family characteristics matter? Indonesian Journal of Business and Entrepreneurship, 10(2), 308-318.
- Yoshida, S., Yag, H., & Garrod, G. (2019). Determinants of farm diversification: Entrepreneurship, marketing capability and family management. Journal of Small Business & Entrepreneurship.
- Zhan, S. (2019). Accumulation by and without dispossession: Rural land use, land expropriation, and livelihood implications in China. Journal of Agrarian Change, 19, 447-464.
- Zhao, H., O'Connor, G., Wu, J., & Lumpkin, G. T. (2020). Age and entrepreneurial career success: A review and a meta-analysis. Journal of Business Venturing, 36(1).