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Impact Analysis of the Poverty Alleviation Acceleration Program in Paleleh District, Buol Regency, Indonesia

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Abstract

This study aimed to analyze the effect of the Poverty Alleviation Acceleration Program (P3K) on increasing the income of corn farmers in Paleleh District, Buol Regency, Central Sulawesi Province. This type of research was developmental studies, which aimed to find out the development of the subject. Respondents obtained for this research data were from corn farmers in Paleleh District, Buol Regency, Central Sulawesi Province. The data analysis method uses different tests. The analysis results show that the poverty alleviation acceleration program in Paleleh District, Buol, significantly influences corn farmers' income. The study results indicate that the poverty alleviation program implemented by the Paleleh district government, has a specificity in term of reducing processing costs. The results showed that the poverty alleviation acceleration program in Paleleh District, Buol, Central Sulawesi Province can be one of the steps in handling poverty alleviation of the community in the area. Furthermore, it is more likely to increase the income of corn farmers in Paleleh District, Buol Regency, Central Sulawesi Province.

Keywords

agricultural economy, poverty alleviation, farmer income, subsidy policy.

1. Introduction

Poverty is a severe problem and must be addressed quickly by the Indonesian central and local governments to improve the welfare of the community (Purwono et al., 2021). Welfare is the ideal of all people. The Indonesian central and local governments must be fought together to

realize welfare for all Indonesian people. The process of regional development to improve the welfare of the community is very much needed the role of the government to regulate regional economic growth. Still, for its success, it must involve the role of the community to be more independent and play an active role in changing its economy to create the welfare of the community as a whole (Prianata & Natha, 2014).

Indonesian government has various management efforts carried out to meet the standard needs of farmers in fulfilling their needs with subsidies as a specific program to eradicate poverty (Warr & Yusuf, 2014). The policies were also applied in local governments with their specific program to alleviate poverty for agricultural economies, including in Buol Regency, Central Sulawesi Province, Indonesia. It is done so that the planned goals can be achieved by utilizing all the potential and physical and non-physical resources owned to support the achievement of maximum income. Buol Regency still has a number of poor households in a relatively high number. The data can be seen in Table 1.

Table 1. Number of Poor Families in Buol Regency by district, 2017

No	Districts	Number of Poor Families
1	Laken	222
2	Biau	420
3	Karamat	255
4	Momunu	457
5	Tiloan	242
6	Bokat	418
7	Bukal	390
8	Bunobogu	275
9	Gadung	348
10	Paleleh	345
11	Paleleh Barat	231
	Total	3,603

Source: Buol's BPS, 2018

The data illustrates that the number of poor families is quite high, and the distribution is almost evenly distributed in each sub-district. The district with the highest number of poor families is Momunu District, with 457 families, while the lowest is Lakea District, with 222 families. The income in the agricultural sector, in general, is always poorer than the population whose sources of income are from other sectors, especially the manufacturing, financial, and trade industries. However, income varies according to subsectors or business groups in each sector. Some of the factors that cause the number of poor people in the agricultural sector compared to other sectors are unequal distribution of land, low education of farmers and workers, difficulty in obtaining capital, and the continuously declining exchange rate of farmers. It is exacerbated by the increasing number of agricultural areas converting to non-agricultural activities. The empowerment and specific community development with relevant policy instruments is one of the keys focuses in alleviating poverty (Susilowati & Mafruhah, 2022). The same thing was also expressed by Djirimu & Tombolotutu (2021) stating that government programs or policies must follow the objectives of poverty reduction in the regions and recognize the root of the problem. Therefore, the Buol Regency Regional Government has one of the policy instruments in

alleviating poverty or improving the level of community welfare in the agricultural sector, namely the Poverty Alleviation Acceleration Program (*Program Percepatan Penanggulangan Kemiskinan/P3K*) to improve the welfare and quality of life of the community. Therefore, this study was conducted to analyze the effect of the Poverty Alleviation Acceleration Program (P3K) on increasing the income of corn farmers in Paleleh District, Buol Regency, Central Sulawesi Province.

2. Literature Review

Poverty is a social phenomenon that occurs in various parts of the world (Atkinson, 2019). It is usually characterized by backwardness and low productivity, resulting in low incomes for poor people (Haggblade et al., 2010). It is further said that impoverishment is a multidimensional condition or process caused by many factors, such as individual, social, cultural, and structure factors. The definition of poverty used in looking at the increase in household income of poor farmers is structural poverty with a basic needs approach. It is because the condition of poverty experienced by farmers is inseparable from development policies, especially in the agricultural sector implemented by the government, and the fulfillment of basic needs is an approach that can better describe the condition of poverty experienced by farmers (Hanum & Muda, 2019).

Poverty reduction and community empowerment are efforts to improve community welfare (Susilowati & Mafruhah, 2022). Poverty reduction and community empowerment is one of the duties of local governments that must be carried out following the mandate of laws and regulations. Poverty reduction and community empowerment cover a comprehensive range of economic, social, cultural, and even political aspects. The extent that the various programs developed by the government in the future will be effective in accelerating efforts to alleviate poverty and reduce social polarization of society will still be tested over time. However, learning from the experience of previous years, the program developed is only oriented towards increasing the production of commodities produced by the poor, and does not touch the most substantial needs (Wahyudi et al., 2020; Waarts et al., 2021). Thus, the opportunity to empower the potential and improve the welfare of the poor will be wasted.

Chandy et al. (2015) stated that alleviate poverty is highly related with government policies to encourage. The policies are directed to ensure an increase in the income of farmers from the agricultural sector in the long term. The agricultural sector has an important role in alleviating poverty. For example, poverty alleviation in China quickly and most prominently is the agricultural sector (Montalvo & Ravallion, 2010; Zhang et al., 2020) with additional focus on rural development (De Janvry & Sadoulet, 2010). The government's policy in poverty alleviation, namely increasing agricultural productivity, must contain several aspects of the policy, namely increasing farmers' incomes and increasing food productivity.

One of the policies that can reduce the level of poverty by redistributing income policies specifically targeting agricultural sector. This is supported by the results of previous research conducted by Dagdeviran et al. (2000), Werner & Kruger (2007), Griffin et al. (2002). Chandy et al. (2015) and Susilowati & Maulana (2012) revealed that most of the poverty rate comes from the rural population inhabited by those who earn their main income as farmers. Several government policies in the agricultural sector increase farmers' incomes, including subsidy policies (Efendi, 2022). Several studies have also been conducted on government policies in the

agricultural sector, namely subsidies for seeds, fertilizers, and pesticides. In alleviating poverty through the agricultural sectors, the government must have policies that encourage farmers to increase food production to increase farmers' incomes, namely the provision of subsidies for seeds, fertilizers, pesticides, irrigation, credit, insurance and storage (Chandy et al., 2015). The provision of subsidies to farmers is one of the main policies of agricultural development that the government has long implemented with village coverage and the amount that changes from time to time (Efendi, 2022).

The increasing economic and social development will be more likely able to increase the equitable distribution of people's welfare. Thus, it is hoped that the number of people living below the poverty line will be decreasing day by day. It is said that economic growth is one of the indicators of the success of development. It aims to reduce poverty (Kouadio, & Gakpa, 2022) and job creation (Basnett & Sen, 2013) that can be achieved through economic growth and income redistribution (Zweimüller, 2000). In agricultural-based societies, the increase in economic and social development is also inseparable from the increasing development and utilization of the agricultural sector. Adnan et al., (2020) and Holden et al., (2006) stated that the utilization of land use is more likely able to reduce poverty. The agricultural sector is an indicator of the regional progress, as can be seen from the quality and quantity of development success. The development and utilization of the agricultural sector need to be carried out to alleviate poverty and improve the community's welfare. Ariyadi (2021) stated that the agricultural sector is multifunctional because it can cover several aspects in terms of food production and security, improving the welfare of farmers or alleviating poverty, and maintaining the sustainability of life. It can be realized through the effective and efficient agricultural land use. Oyo et al. (2016), Onakuse (2012) stated that in general economic agricultural development in rural areas in developing countries aims to meet basic needs for food of community, which is usually with limited land and resources (Yousuf, 2021).

3. Methods

This type of research is developmental studies, which aims to determine the development of the subject (Arikunto, 2010). This research used a survey method carried out in Paleleh District, Buol Regency. The total population is as many as 500 families of corn farmers. The number of samples used in this study uses the Roscoe formula (Sugiyono, 2014). The number of samples used was 68 respondents. The data collection in this research was carried out by using observation techniques, interviews, and documentation to explore the necessary data related to the P3K Program in Paleleh District. Data analysis using a different test was carried out to review before and after the Poverty Alleviation Acceleration Program was implemented in Paleleh District, and to ensure that the program remains targeted and on target to alleviate poverty in the community.

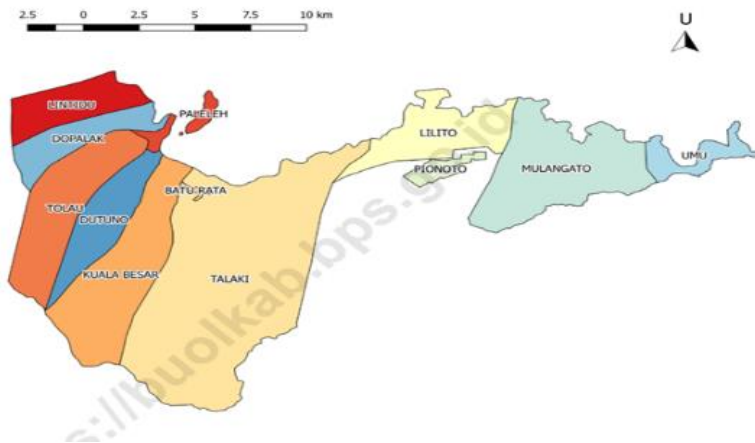
4. Results

4.1 Descriptive Analytics

Buol Regency is one of the regencies in Central Sulawesi Province, which was formed based on The Law of the Republic of Indonesia Number 51 of 1999 concerning the Establishment of Buol, Morowali, and Banggai Islands Regencies. Precisely on October 12, 1999, Buol Regency

was inaugurated. The area of this area is 4,043.57 Km². Buol Region is one of the regencies in the province of Central Sulawesi, which has its capital in Lipunoto. Administratively, this area is divided into 9 sub-districts, 98 villages, and 4 sub-districts.

This area has excellent potential to be developed, among others, in the agricultural sector with the main agricultural products in the form of food crop materials which include rice, corn, cassava, sweet potatoes, green beans, soybeans for commodity plantation products produced in this area in the form of deep coconut, cloves, cocoa, cashew, pepper, robusta coffee. Paleleh Subdistrict is one of 11 districts in Buol Regency. In the map of Buol Regency, it appears that extending from east to west is located to the north of the equator in coordinates of 0.350-1200 North Latitude and 20,000-122,090 East Longitude (BPS, 2021).



Source: BPS, 2021

Figure 1. Map of Paleleh District

Paleleh District is a town in Paleleh Village. The population in Paleleh District in 2020 amounted to 12,342 people consisting of 6,295 men and 6,047 women. With an area of 452.6 km², the population density in this area is 27.27 inhabitants/ km². Paleleh Subdistrict, primarily an agricultural area, has enormous potential for agricultural fields. Potential areas in the subsectors of food crops, plantations, and horticulture are found in almost all villages (BPS, 2021).

4.2 Difference Tests

The different tests were carried out to see whether there was an effect of the P3K program on farmers' incomes. The results of the different tests can be seen in Table 2.

Table 2. Different Test Results

	Income	N	Mean	Std. Deviation	Std. Error Mean
Corn Farming	Before	68	4324660.2941	4183529.92665	507327.52281
	After	68	6820395.5882	5541092.16640	671956.12598

Source: Primary data processed, 2022

Table 2 showed that the income of corn farmers before the P3K program had an average income of 4.32 points, while the income of corn farmers after the P3K program had an average income of 6.82 points. The results showed that there are differences in the income of corn farmers before and after the P3K program. In addition, to find out whether these differences can occur significantly can be seen in Table 3.

Table 3. Independent Samples Test

		Sig. (2-tailed)	Mean Difference	Std. Error Difference
Corn Farming	Equal variances assumed	.004	-2495735.29412	507327.52281
	Equal variances not assumed	.004	-2495735.29412	671956.12598

Source: Primary data processed, 2022

Table 3 showed that the Sig (2-tailed) has a value of <0.05. This means that the assessment is significant. This points to the fact that the P3K program significantly influences the income of corn farmers. Moreover, the program is more likely to have a positive effect on income because crop yields increase. The success of the P3K program implemented by the Buol Regency government is shown in Table 4.

Table 4. Poverty Conditions of Buol Regency in 2017-2020

No	Year	Poor household Proportion (%)	Poor people (000)
1	2017	16.65	25.76
2	2018	16.08	25.40
3	2019	15.19	24.51
4	2020	13.93	22.93

Source: Department of Agriculture and Food Security, Buol Regency, 2021

The findings showed the percentage of poverty from 2017 to 2020, with the number continuing to decrease the poverty rate. The decrease was influenced by the P3K program implemented by the Buol Regency government. The program could be a main policy in eradicating community poverty alleviation in the Paleleh District of Buol Regency from various factors causing poverty.

5. Discussion

The policy of local governments is an important factor in the success of the central government policy. Therefore, in the process of improving the community's welfare level, the Buol regency government has a P3K program in poverty alleviation to improve welfare, which also focuses on agriculture. The poverty alleviation program is focused on farmers to increase income and improve the welfare of farmers in Paleleh District. The findings is consistent with Susilowati & Maulana (2012) stating that to increase farmers' income, it is necessary to improve the structure of land cultivation. It further said that land tenure could be well integrated when farmers are interested and remain focused on cultivating agricultural land (Guo & Liu, 2021). In

order to encourage farmers to remain focused on cultivating agricultural land and not to move to other jobs, the Buol district government has set a policy of providing processing costs to farmers.

The Paleleh District Government has a poverty alleviation program offered to corn farmers, namely the for physical and non-physical provision of subsidies such as seeds, fertilizers, pesticides, and processing costs. The poverty alleviation program implemented by the Paleleh District government specializes in this study, namely processing costs. This cost is a cost incurred by the government during the transition period waiting for the harvest; the cost is given to corn farmers to meet their needs so that the farmers do not leave their jobs and remain focused on the field. The results are in line with previous studies revealed by Taruno (2019) in demonstrating the effect of public spending with poverty alleviation.

6. Conclusion

The results revealed that the Poverty Alleviation Acceleration Program (P3K) in Paleleh Subdistrict, Buol Regency, Central Sulawesi Province, significantly impacts corn farmers' income. The poverty alleviation program implemented by the Paleleh District government, Buol Regency, has a specialization in processing costs. Furthermore, the Poverty Alleviation Acceleration Program in Paleleh District, Buol, Central Sulawesi Province, can be one of the steps in handling poverty alleviation of people in local government public administration.

the results of this study show that the processing fee subsidy applied by the Buol Regency government, Paleleh District, in the P3K program is empirically proven. Overall, it can play a vital role in increasing community income from crops. It can be seen from the achievement of problem solutions to the phenomena that occur, including increasing agricultural land use. Farmers are more focused on cultivating agricultural land because it can improve their welfare. This can be a solution for handling poverty alleviation in Buol Regency. This program can improve the level of community welfare. It can be seen from the income of the community before and after the P3K program, which has a significant difference in terms of several factors that cause poverty, namely individual, social, cultural, and structural factors. As a practical recommendation, the findings encourage further research to expand the research by adding various research variables to increase people's income packaged through a breakthrough program. Further research is also expected to add sub-districts to compare diverse results.

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