

## POVERTY ALLEVIATION PROGRAM IN AGRICULTURAL SECTOR : LESSONS LEARNED AND ISSUES

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### ABSTRACT

Poverty alleviation program in agricultural sector was initiated by an income generating program for small farmers and fishers/P4K project in 1979, and subsequently followed by various sub sectoral projects. A series of studies conducted by the Center for Agro-Socio-Economic Research on the performance and achievement level of poverty alleviation projects within agricultural sector indicated the following common features: (1) Except for the P4K and the Food and Nutrition projects, a strong sub sectoral and top-down approach was common in the project implementation. This project approach neither adequately accommodate needs and aspirations of project participants nor an effective co-ordination within agricultural sector and inter-sectoral co-ordination; (2) A too short project duration that did not accommodate community empowerment process. Community empowerment and program sustainability, which are supposed to be the main goals of a poverty alleviation program, were not adequately addressed. In the project implementation, the objective was emphasized in achieving physical project targets set in the Project Budgetary System (*Daftar Isian Proyek*); (3) In general, the project preparation and technical field supervision were not adequate; (4) The provision and distribution of project package were not carried out in professional manners that had resulted of the low quality of package; 5) The low capability of project participants to evolve the project package. In term of the physical achievement, the sub-sectoral poverty alleviation projects had relatively resulted of economic multiplier effects in the project areas.

**Key words :** *poverty alleviation program, agricultural sector, farmers, fishers.*

### ABSTRAK

Program penanggulangan kemiskinan pada sektor pertanian dimulai pada tahun 1979 melalui proyek Pengembangan Peningkatan Pendapatan Petani-Nelayan Kecil ( proyek P4K) yang kemudian disusul oleh berbagai proyek penanggulangan kemiskinan oleh keempat subsektor lingkup pertanian. Serangkaian penelitian yang dilakukan oleh Pusat Penelitian Sosial Ekonomi Pertanian mengenai kinerja dan tingkat pencapaian tujuan berbagai proyek penanggulangan kemiskinan di lingkup sektor pertanian mendapatkan beberapa kesamaan dalam kinerja proyek, antara lain: (1) Kecuali proyek P4K dan Diversifikasi Pangan dan Gizi, sebagian besar proyek berorientasi subsektoral dengan pendekatan dari atas ke bawah. Pendekatan ini kurang mengakomodasi berjalannya koordinasi yang efektif antar subsektor dan lintas sektoral, serta kurang tersalurkannya aspirasi dan kebutuhan partisipan proyek; (2) Jangka waktu proyek yang terlalu singkat tidak memungkinkan diakomodasinya proses pemberdayaan masyarakat. Selain itu, pemberdayaan masyarakat dan kesinambungan program yang seharusnya merupakan tujuan utama proyek penanggulangan kemiskinan kurang memperoleh perhatian. Pencapaian tujuan proyek lebih ditekankan pada target fisik yang ditetapkan dalam Daftar Isian Proyek (DIP); (3) Persiapan proyek dan pembinaan peserta proyek kurang memadai; (4) Pengadaan serta distribusi paket proyek belum ditangani secara profesional sehingga sering dijumpai rendahnya kualitas paket proyek; (5) Kurangnya kemampuan peserta proyek dalam pengembangan paket bantuan.

**Kata kunci :** *program penanggulangan kemiskinan, sektor pertanian, petani, nelayan.*

After the monetary crisis, many mass media have exposed the high increase of people who fall under the poverty line. There are several indicators being used to determine the poverty line, among others are suggested by Sajogyo, Central Bureau of Statistics (CBS) and the Office of State Ministry of Population.

Accommodating the decrease of currency value, the CBS has modified its indicator for the poverty line in 1998 for urban and rural areas. The nominal standard of expenditure per capita per month which was set at Rp. 38 246 and Rp. 27 413 for urban and rural areas respectively was changed into Rp. 52 470 for urban area

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and Rp 41 588 for rural area (Kompas, 1998). If there is no economic improvement, Head of the CBS predicted that by the end of 1998, the number of poor people in Indonesia would increase from 22.5 million people in 1996 to 95.8 million people in 1998 or nearly half of the population. Due to the high inflation rate during the period of monetary crisis, one can argue that the nominal standard of expenditure per capita per month was set too low. This implies that the number of poor people is likely higher than the figure predicted by the CBS.

As poverty is a reflection of multi-dimensional unfavourable condition and problems faced by the community in their efforts to gain their well-being, the Office of State Ministry of Population does not only use basic physical needs for the poverty criteria as being used by the CBS. The condition of housing, education, health, clothing, participation in the family planning, and the marital status are added into the household well-being criteria (Raharjo dkk, 1995). Using the criteria set by the Office of State Ministry of Population, the 1995/1996 national data indicated that there were 15.9 million households (40.3%) were considered poor households compared with the CBS figure of only 22.5 million people (11.6% of population) were poor in 1996.

Whatever criteria being used to measure the poverty line, the high increase of poor population due to the impact of monetary crisis, is a strong argument of the urgent need for poverty alleviation programs. However, even though the government has launched several short term efforts to ease the high increase of poor people such as the Social Safety Net, the rice price subsidy, interest rate subsidy for small entrepreneurs, and employment creation projects, but those short term efforts are too expensive in the long run, especially in this very scarce government financial resource.

As 64 percent of population live in rural areas (Biro Pusat Statistik, 1996) and agriculture is still a dominant source of income of rural community, the poverty alleviation program in agricultural sector would result a great multiplier effect. Furthermore, the agricultural sector is still capable to contribute positively to the economic survival of the country compared with other sectors such as heavy industry, property and automotive sectors which perform negative growth rate. In this respect, boosting agricultural production across a variety of commodities and in a variety of farming systems which is aimed at gaining a variety of valued outcomes rather than just increasing production (Pasandaran *et al.*, 1992) should be one of agricultural

and rural development strategies for poverty alleviation. However, it does not mean that the implementation of the strategy referred above is only the responsibility of the Ministry of Agriculture. Considering the complex nature of poverty, an anti poverty program in rural areas should be an integrated, interdisciplinary and inter-ministerial efforts (Sulaiman and Sumaryanto, 1997). This is especially true since the major causes of poverty are: (1) Low productivity of the available natural resources; (2) Institutional failures; and (3) Physical and geographical isolation of area (Pasandaran *et al.*, 1992).

Within the perspective of agricultural development, the long term agricultural-based development focusing on poverty alleviation has been formulated by Kasryno and Suryana (1992). This long term agricultural development program is based on the capability of farmers and fishers to manage productive assets, especially land and capital. However, effort to increase human and natural resources alone is not enough to support poverty alleviation process in a sustainable manner. For this reason, the long term agricultural development program should be geared towards an efficient and effective agribusiness development through an integrated farming system within a frame of diversification and regional agricultural development. In this respect, the agricultural diversification should be interpreted as a process of increasing the spectrum of income sources of rural households in a sustainable manner that involves the entire rural economy (Pasandaran *et al.*, 1992).

The impact of monetary crisis toward the national economy has given us an expensive lesson of the consequences of a national policy emphasizing in industrial sector which is not based on local industrial components and is not supported by a strong agriculture. Even though there have been a lot of complaints regarding the inadequate budget allocated for the economic revitalisation through agricultural development, it is clear that the poverty alleviation programs in agricultural sector, which have been started for nearly two decades, need to be continued. However, due to the very scarce government financial resources that can be allocated for development activities, planners and decision-makers should be extra careful in designing any agricultural development programs, including agricultural-based development focusing on poverty alleviation. We need to learn from our past poverty alleviation projects in order to prevent from repeating similar weaknesses, and gain more sound and effective program to alleviate poverty in rural areas. The

purpose of this paper is to analyse several poverty alleviation projects in agricultural sector based on a series of research conducted by the Center for Agro-Socio-Economic Research.

## **POVERTY ALLEVIATION PROJECTS IN AGRICULTURAL SECTOR**

Poverty alleviation projects within agricultural sector was initiated by the Income Generating Project for Small Farmers and Fishers (*Proyek Pembinaan Peningkatan Pendapatan Petani dan Nelayan Kecil/P4K project*) in 1979. The Center for Agro-Socio-Economic Research has conducted a series of studies dealing with poverty alleviation in 26 provinces in a four years period starting in 1991. In the period of 1991-1992, the focus of research was in the mapping of poor areas and agricultural poverty alleviation programs in those areas. In 1993 the research was designed to evaluate the existing poverty alleviation projects. In the following year, the research purpose was emphasized in formulating poverty alleviation models.

Within the agricultural sector, there were several poverty alleviation projects which were conducted by the four sub sectors (food crops and horticulture, estate crops, fishery, and livestock) and the other first echelon working units (Secretariat General, and the Agency for Education and Extension Training). Based on study results mentioned above, there were common features in those poverty alleviation projects within the Ministry of Agriculture as presented in Table 1.

### **Poverty Alleviation Projects in Food Crops and Horticulture Subsector**

There were five poverty alleviation projects conducted by the Directorate General for Food Crops and Horticulture, namely: (1) Integrated farming systems in marginal areas; (2) Conservative farming systems; (3) Farming systems in special regions; (4) Food crop farming systems in transmigrating areas; and (5) The development of fruit production areas. Those poverty alleviation projects were formulated based on dimensions of sustainable farming areas, human resource development, and marginal dimension (Direktorat Jenderal Tanaman Pangan, 1993). Findings of an assessment study of those poverty alleviation projects in nine provinces were reported by Hendayana and Darmawan (1995) and presented in Table 1.

### **Poverty Alleviation Projects in Livestock Subsector**

The main activity of the poverty alleviation projects in this sub sector was livestock distribution suitable to the agro-ecosystem of project areas. This livestock package was expected to generate capital that could be used as a sustainable source of income for the project participants (Direktorat Jenderal Peternakan, 1992). Findings of an assessment study conducted in eight provinces (Aceh, Bengkulu, Central and East Kalimantan provinces, North Sulawesi, West Nusa Tenggara, East Nusa Tenggara, and Irian Jaya) are presented in Table 1 (Prasetyo, 1995).

### **Poverty Alleviation Projects in Estate Crop Subsector**

The Development of Tree Crops in Specific Regions (*Pengembangan Perkebunan Wilayah Khusus/P2WK*) was designed as the poverty alleviation program in the estate crop sub sector. The project was located in lagging areas which had not been reached by existing services of the Directorate General for Estate Crops. The project was started in 1990/1991 dealing with rubber, cacao, palm oil, coconut, coffee, pepper, cashew nut, tea and other commodities (Direktorat Jenderal Perkebunan, 1993). Table 1 presents the main findings of an assessment study conducted by Sumaryanto *et al.* (1995).

### **Poverty Alleviation Projects in Fishery Subsector**

Poverty alleviation project in the fishery subsector was carried out through distribution of project package to small fishermen who meet poor criteria. The project package consisted of fishing gear or inputs for aqua culture, processing equipment, training and technical field supervision (Direktorat Jenderal Perikanan, 1993). Table 1 presents results of an assessment study conducted by Hermanto *et al.* (1995) in North Sumatera, Lampung, West and Central Java provinces, South and South East Sulawesi provinces, Maluku, and East Timor.

### **Food and Nutrition Diversification Project (Proyek Diversifikasi Pangan dan Gizi)**

The project was started in 1991/1992 under the Secretary General of Ministry of Agriculture, covering

all provinces in Indonesia. The project locations were selected among areas which had high number of lagging villages with high incidence of malnutrition. Table 1 presents important findings of an assessment study conducted by Suryana, *et al.*, (1995).

### Income Generating Project for Small Farmers and Fishers (P4K project)

The first phase of the project was started in 1979/1980 which is continued to the third phase in 1998. The strategy of the P4K project was implemented through a non formal education aimed at the willingness and ability of small farmers/other poor rural community members to make use of the available development facilities (Badan Pendidikan dan Latihan Pertanian 1994). Some important features that contribute to the

P4K project success are: (a) The empowerment process of the project participants is considered to be important which is accommodated through the project seven principles (group approach, business partnership, learning by doing, self-help, leadership among project participants, compatibility principle, and family approach); (b) The thorough step by step approach in its project preparation and implementation, and its clarity in the project procedures and technical guidelines for the project staff, especially for the PPLs (*Penyuluh Pertanian Lapangan/Field Extension Workers*). Despite some weaknesses in the project implementation, the transparent incentives for the PPLs in conducting their duty and responsibility is a positive motivating factor in increasing their performance; (c) The project has initiated inter-sub sectoral and sectoral coordination, and coordination with some NGOs; and (d) The project includes gender consideration in the selection of project participants.

Table 1 Common Features of Poverty Alleviation Projects in Agricultural Sector

| No. | Common Features   | Sub Sectoral/First Echelon Poverty Alleviation Projects |             |             |         |                                  |     |
|-----|---|---|-------------|-------------|---------|----------------------------------|-----|
|     |   | Food Crops & Horticulture                               | Estat Crops | Live-stocks | Fishery | Food & Nutrition Diversification | P4K |
| 1.  | In general, project participants were selected based on project criteria (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995).   | V   | V           |             | V       | V                                | V   |
| 2.  | The project was formulated based on dimensions of soil conservation, HRD and development of marginal areas (Directorate General for Food Crops, 1993; Sumaryanto <i>et al.</i> , 1995).   | V   | V           |             | NA      | NA                               | NA  |
| 3.  | The involvement of educated individuals in the project sites to be motivated as agribusiness entrepreneurs in rural areas (Directorate General for Food Crops, 1993).   | V   |             |             |         |                                  |     |
| 4.  | Project duration was too short (Hendayana and Darmawan, 1995; Suryana <i>et al.</i> , 1995).  | V   |             |             |         | V                                |     |
| 5.  | The project implementation was emphasized in production aspect. Other aspects of agribusiness development were not adequately covered in the project design and implementation (Hendayana and Darmawan, 1995).  | V   | V           | V           | V       | NA                               |     |
| 6.  | Market was one of the main problems (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995).  | V   | V           |             |         |                                  |     |
| 7.  | The main constraints to achieve project objectives were the limited availability and quality of infra-structures and limited supporting institutions such as market, financial institutions and inputs distribution in rural areas (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995). | V   | V           |             |         |                                  |     |

V : Existing condition of each particular project; NA: Not Applicable

(Continuation)

| No. | Common Features   | Sub Sectoral/First Echelon Poverty Alleviation Projects |             |             |         |                                  |     |
|-----|---|---|-------------|-------------|---------|----------------------------------|-----|
|     |   | Food Crops & Horticulture                               | Estat Crops | Live-stocks | Fishery | Food & Nutrition Diversification | P4K |
| 8.  | The timing of budgetary disbursement was often not in accordance with the needs/appropriate season (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995; Suryana <i>et al.</i> , 1995).   | V   | V           |             |         | V                                |     |
| 9.  | Lack of accurate field data required for decision makings on needs of inputs for each of project site (Sumaryanto <i>et al.</i> , 1995).  |   | V           |             |         |                                  |     |
| 10. | A top-down approach was generally exercised in the program development and project implementation (Hendayana and Darmawan, 1995). Sumaryanto <i>et al.</i> , 1995; Hermanto <i>et al.</i> , 1995, Prasetyo, 1995).  | V   | V           | V           | V       |                                  |     |
| 11. | The low level of knowledge and skills of project participants was considered as one of major impediment factors (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995; Hermanto <i>et al.</i> , 1995, Prasetyo, 1995; Saragih <i>et al.</i> , 1996).   | V   | V           | V           | V       |                                  | V   |
| 12. | The Provincial Sub Sectoral Services was assigned as the implementing agency. In general, the District Sub Sectoral Services functioned as an extended body of the Provincial Sub Sectoral Services, and being involved mainly in the selection of project sites and project participants (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995; Hermanto <i>et al.</i> , 1995; Prasetyo, 1995). | V   | V           | V           | V       |                                  |     |
| 13. | The project sites were often selected based on their easy accessibility, not based on poverty criteria (Prasetyo, 1995; Suryana <i>et al.</i> , 1995).  |   |             | V           |         | V                                |     |
| 14. | The selectio proces of project participants was often not based on poverty criteria, but based on the high possibility to achieve project objective and orther reasons (Prasetyo, 1995; Suryana <i>et al.</i> , 1995).  | V   |             | V           |         | V                                |     |
| 15. | Lack of profesionalism among project suppliers that had resulted of a low quality of project package (Hendayana and Darmawan, 1995).  | V   | V           | V           |         | V                                |     |
| 16. | In general, farmer organizations especially farmer groups were weak (Hendayana and Darmawan, 1995; Sumaryanto, 1995, Prasetyo, 1995).   | V   | Y           | Y           | Y       |                                  |     |
| 17. | The formation of farmer groups was not adequately emphasized in self reliance among project participants, but was generally viewed as a medium for rendering project package and services (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995; Hermanto, <i>et al.</i> , 1995, Prasetyo, 1995; Suryana, <i>et al.</i> , 1995).   | V   | V           | V           | V       | V                                |     |

V : Existing condition of each particular project.

(Continuation)

| No. | Common Features   | Sub Sectoral/First Echelon Poverty Alleviation Projects |             |             |         |                                  |     |
|-----|---|---|-------------|-------------|---------|----------------------------------|-----|
|     |   | Food Crops & Horticulture                               | Estat Crops | Live-stocks | Fishery | Food & Nutrition Diversification | P4K |
| 18. | The project implementation was often oriented towards the achievement of physical project targets on account of the community empowerment and program sustainability (Hendayana and Darmawan, 1995; Sumaryanto, 1995; Hermanto, 1995; Prasetyo, 1995; Suryana, 1995). |   | V           | V           | V       | V                                |     |
| 19. | There was unclarity regarding the status of project package whether it was free, credit or a revolving package (Sumaryanto <i>et al.</i> , 1995; Hermanto <i>et al.</i> , 1995)   |   | V           |             | V       |                                  |     |
| 20. | The project participants' aspirations and needs regarding package components were not adequately accommodated (Hermanto <i>et al.</i> , 1995; Prasetyo, 1995).  |   |             | V           | V       |                                  |     |
| 21. | Lack of intensity and quality of technical field supervision (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995; Hermanto <i>et al.</i> , 1995; Prasetyo, 1995; Suryana <i>et al.</i> , 1995; Saragih <i>et al.</i> , 1996)                               | V   | V           | V           | V       | V                                | V   |
| 22. | .In general, there was inadequate co-ordination among related working units within sub sector and among sub sectors (Hendayana and Darmawan, 1995; Sumaryanto <i>et al.</i> , 1995; Hermanto <i>et al.</i> , 1995; Prasetyo, 1995).                                   | V   | V           | V           | V       |                                  |     |
| 23  | The selection process of project participants was not always transparent (Prasetyo, 1995).  |   |             | V           |         |                                  |     |

V : Existing condition of each particular project.

### ANALYSIS OF POVERTY ALLEVIATION PROGRAM IN AGRICULTURAL SECTOR

Despite some weaknesses in past poverty alleviation projects in agricultural sector, the projects have alleviated poverty in rural areas through their economic multiplier effects that have created positive impacts on local economic development, and elements of agricultural-based development focusing on poverty alleviation suggested by Uphoff and Rasahan (1992) in the previous section. Some projects such as the distribution of livestock to the poor members of the community can be viewed as a transfer of asset from "the non poor members of community" to the rural poor group. By adding empowerment and program sustainability aspects through appropriate efforts, poverty alleviation projects in agricultural sector will create substantial effects in alleviating poverty for the higher percentage of population. This is especially true since 64 percent of population live in rural areas.

Local institutional development is one of important components which is often overlooked in poverty alleviation programs, including in the past poverty alleviation projects in agricultural sector. Most

of the projects had not adequately considered grass root institutions that could enhance the empowerment process of project participants and the community as a whole, and program sustainability. As the main goal of any poverty alleviation program is supposed to be the community empowerment which is attained among others through the sustainability of the program (especially after the project has terminated), the community empowerment should be one of the main success criteria of any poverty alleviation project. Unfortunately, most of the past agricultural poverty alleviation projects had not adequately considered those two basic issues referred above as the project's main objectives.

Based on study findings described in the previous section, there are several common weaknesses that should be considered in the future agricultural poverty alleviation program, among others are: (1) Except for the P4K and Food and Nutrition Diversification projects, relatively the rest of the projects used a top-down approach in the program development and project implementation. This top-down approach neither adequately accommodate needs and aspirations of prospective project

beneficiaries nor proposed changes of project design in order to suit specific local needs. Furthermore, the top-down approach did not adequately consider the cultural and sociological conditions of prospective project beneficiaries; (2) Except for the P4K project, the project preparation, such as the characterisation and identification of prospective project beneficiary households, training for prospective project beneficiaries and project staff, was not properly carried out; (3) Provision and distribution of project package was not carried out in professional manners, (4) The formation of project participant groups was viewed as a medium for rendering project package and services rather for a medium to strengthen self-help capacity which is conducive to the community empowerment process; (5) The technical field supervision of the project management and field staff was weak, and it was not aimed at strengthening local leadership, self-help, and business capacity among project participants. On the other hand, the project implementation was emphasized in achieving physical project targets which were set in the project budgetary system (*Daftar Isian Proyek*); (6) Except for the P4K, the project participants relatively had no decision makings regarding the choice of project package components; (7) The low quality of project package components was due to the lack of professionalism of the project suppliers in the provision and distribution of project package; (8) Several projects had only one year duration which was extremely too short to achieve the main goal of poverty alleviation, especially in accommodating the empowerment process and self-help capacity of project participants; (9) The selection process of the prospective project participants of some projects was not always transparent and was not based on poverty criteria. Easy access to reach project locations and the pressure to achieve project physical targets had often resulted of the selection of non poor community members as project participants; (10) Except for the P4K and Food & Nutrition Diversification projects, the co-ordination among related institutions/organizations dealing with poverty alleviation was relatively weak, including co-ordination within and among sub sectors and other first echelon agencies within the Ministry of Agriculture, and inter-ministerial co-ordination; (11) Except for the P4K, most of the projects did not apply a thorough step by step approach in their project preparation and implementation.

The study findings presented in Table 1 show that most of poverty alleviation projects in the four

agricultural sub sectors relatively had not adequately include empowerment process, self-help, leadership development, and the sustainability of the program, which are supposed to be the main principles of poverty alleviation effort, in their project implementation. On the other hand, even though the P4K project has included those four principles in its project design, and has tried to implement the principles, but the project has not achieved those four main objectives (Saragih *et al.*, 1996; Suhartini and Simatupang, 1995).

With some improvement and modification according to specific needs, the P4K project design can be used as a model for a poverty alleviation project. However, Saragih *et al.* (1996) noted some evaluation results which need to be considered as follows: (1) The long term goal of the P4K project in empowering the project participants through the development of selected income generating activities to become strong and self reliance economic enterprises had not been achieved. This is due to the low human resource quality of the project participants, lack of intensity and quality of technical field supervision, the amount of credit was not adequate to increase the economic scale of selected income generating activities, and there was a need to increase the professionalism in the implementation of the credit scheme. In this respect, Suhartini and Simatupang (1995) considered that the P4K project had not been adequately effective for alleviating poverty since the increase of family income was relatively low. Most of the project participant groups did not choose their main economic activity as their project income generating activity, but they chose their additional small scale economic activity; (2) The technical field supervision was not aimed at strengthening farmer groups and the economic capacity of the group members' enterprises, but farmer groups were viewed as a medium to render project services; (3) PPLs had not been capable to function as "business consultants" for the project participants. For this reason, the recruitment of qualified group facilitators was needed (Saragih *et al.*, 1996)

### Some Important Issues in Poverty Alleviation Efforts

Due to the multi-dimensional features of poverty, there are some important issues that need to be considered in poverty alleviation efforts. Those issues have often been exposed in various media and events dealing with poverty alleviation, but so far effort to

address the issues is far from adequate. National development policy related to poverty alleviation, decentralisation, co-ordination, gender issues, community empowerment and program sustainability, are some important issues that will significantly influence the outcomes of poverty alleviation efforts.

### **National development policy related to poverty alleviation**

In the strategy of agricultural-based development focusing on poverty alleviation, human and natural resources development and national policy should be the supporting elements to push the other elements, namely agricultural diversification, regional and rural development, agribusiness development, the increase of employment and income, and the increase of nutrition and health (Uphoff and Rasahan, 1992). However, a national development policy could either affect positive or negative impacts on elements of agricultural-based development focusing on poverty alleviation. For example, the disproportional investment and revenue transfer which was supported by a strong centralisation has resulted of market failure, development inequality and regional disparity of eastern Indonesia. This national development policy that incline towards western Indonesia (more specifically Java) has affected of relatively higher incidence of poverty in eastern region of Indonesia (Azis, 1996; Sondakh, 1996). The impact of clove marketing regulations (based on the Trade Minister Decision No. 306/Kp/XII/1990 and Presidential Instruction No. 201/1992) on the clove industry (Sondakh, 1996) was one of the policy examples that had created a negative economic impact to the regional development and farmers' income.

### **Decentralisation**

A great deal of public concern in decentralisation had resulted of a government pilot project on decentralisation autonomy to 26 district administrations in 1995 (Tirtosudarmo, 1996). Unfortunately, this poorly planned trial did not go well (Azis, 1996) and exhibited the existing strong regional government administration at the provincial level (Barlow, 1996). In the context of poverty alleviation efforts, the implementation of decentralisation will accommodate a bottom-up approach and a better co-ordination. However, the conduct of decentralisation in a poverty alleviation program will be influenced by: 1) the

dynamic and enthusiasm of the local government which is based on the awareness that region is the place where social problems exist; and 2) the awareness of central government of its limit in conducting economic and social development administration (Mboi, 1992). Further, Mboi (1996) asserted that even though restructuring of central-local relationship is needed for better governance, but the administrative capacity of local government and local community should be considered in formulating the operational implementation of decentralisation.

### **Co-ordination**

Even though the provincial and district services within the agricultural sector are under the local government administration, but the strong centralised system in the allocation of development budget has encouraged a top-down approach with a strong sub-sectoral orientation in the conduct of agricultural development programs, including in poverty alleviation projects. In this kind of administrative setting, co-ordination among related institutions/organizations is felt as being trivial. In the past poverty alleviation projects within the agricultural sector, the function of district agricultural sub sector services was relatively only as an extended body of the provincial sub sector services. Besides creating a lack sense of belonging among the district administrators towards the development projects in their area of jurisdiction, Mboi (1992) asserted that decision makers who are close to the problems are needed for an efficient and effective solution of development problems at the field level.

The difficulty of establishing an effective co-ordination was reported by Suryana *et al.* (1995) in the Food and Nutrition Diversification project. Even though co-ordination at the provincial and district levels was emphasized in the project technical guidelines, but the project staff and members of the project technical team perceived that the co-ordination at the provincial and district levels was not effective. To increase the co-ordination effectiveness, a clear job description regarding the duty, responsibility, authority, and rights of each related institutions and individuals who are involved in the project is needed (Suryana *et al.*, 1995). Considering the multi-dimensional features of poverty, it is clear that an effective co-ordination among related institutions/organizations, which should be started from the planning development process down to the implementation at the field level, is badly needed in any



poverty alleviation program. The formulation of the co-ordination into specific tasks intrinsically to the mission and function of related institutions/organizations will increase the effectiveness of co-ordination (Sulaiman and Sumaryanto, 1997).

### **Gender issues**

Substantial research have reported the significant roles and contribution of women in the household economic survival and in farming activities (Saliem, 1995; Abas *et al.*, 1997; Tri Ardaniah, 1997), but they have limited access to production assets and supporting agencies such as extension and financial institution (Wahyuni, 1997; Sulaiman, 1997; Sulaiman, 1998). Research results conducted by Tri Ardaniah (1997) indicated that women in lagging villages worked in more varieties of occupations and earned less compared with those in non lagging villages. This implies that poor women need more occupational opportunities and education for increasing their capability to earn higher income. Unfortunately, they also often by-passed by development programs (Sulaiman, 1998). In this respect, Sulaiman suggested that household members, including women (instead only heads of households who are usually men) should be considered as equal beneficiaries of a development program, especially in poverty alleviation programs.

### **Community empowerment and sustainability of development program**

Except for the *P4K* project, community empowerment and program sustainability relatively had not adequately addressed in the program development and project implementation of past agricultural poverty alleviation projects described in the previous section. Even though the community empowerment efforts is a long and tedious process, but it is the prerequisite for the development sustainability. In this respect, the development of local leaders' capacity was strongly emphasized in decentralisation (Mboi, 1992; Mboi 1996), in the community empowerment and sustainability of a development program (Djogo, 1996; Haba, 1996; and Marlessy, 1996), especially as the local community is expected to continue the development program. Furthermore, the low quality of human resources among poor people which was considered as one of the main constraints of all poverty alleviation projects within the agricultural sector, it should be

viewed as a challenge instead of a constraint. As the limited education is one of the main causes of poverty, it implies that research and extension supported by a strong and effective information dissemination system is badly needed in poverty alleviation efforts.

## **CONCLUSIONS AND POLICY IMPLICATION**

Considering the limited capacity of the government in providing financial resources for development, and the multi-dimensional features of poverty, there is a need for an integrated master plan for agricultural-based development focusing on poverty alleviation. This master plan should be supported by an effective vertical and horizontal co-ordination among related working units within agricultural sector and with non agricultural sectors.

The involvement and active participation of existing grass root institutions and prospective beneficiaries in the planning and implementation process should be emphasized in agricultural development, including in poverty alleviation projects. As the community empowerment and sustainability of development should be the end goals of any poverty alleviation program, indicators to measure the achievement of those two expected outcomes are needed in any poverty alleviation project.

The strengthening of existing grass root and supporting institutions in rural areas should be emphasized in the future of poverty alleviation program in agricultural sector. The formation of project participant groups should be linked to the existing grass root institutions. In this respect, the community involvement and their active participation in the program planning and decision making process should be integrated into the project design.

In most developing countries, both men and women farmers do not have access to adequate resources, but women's access is even more limited due to cultural, traditional and sociological factors. For this reason, a gender sensitive approach should be exercised in all phases of project cycles. Gender analysis is an effective tool for accurate decision makings to accommodate needs and aspirations of each member of project participant household.

Several weaknesses in the past poverty alleviation projects should be avoided in the future anti poverty programs. Furthermore, in the formulation of an agricultural poverty alleviation program, important

issues that would enhance the community empowerment and the program sustainability should be integrated into the project design. In this respect, planners, decision makers, and all parties dealing with poverty alleviation efforts should be convinced that poverty alleviation is a long term effort that need an understanding of the causes of poverty, a systematic and inter-disciplines problem solving approach, appropriate strategy, and a sound project design. Research and extension supported by a strong and effective information dissemination system will enhance the effectiveness of poverty alleviation programs.

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