

## The Effect of Agricultural Development on Poverty Reduction in Southeast Sulawesi Province

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**Abstract.** Efforts to eradicate poverty continue to be done by the government and various parties who have concerns about the problem of poverty. However, these efforts have not shown results as expected, marked by high levels of poverty. This research was conducted with the aim to identify the impact of agricultural development on the reduction of rural poverty in Southeast Sulawesi.

The study was conducted on four districts in Southeast Sulawesi namely Muna, Konawe, South Konawe and Buton. Using a subjective approach to agricultural farming, and poverty alleviation, formulated questionnaires based on indicators that have been used in previous research. A total of 500 questionnaires were distributed with 309 returns and 250 were eligible for analysis. Results of the study appear in descriptive then using each construct Factor Analysis Confirmation been four indicators each variable included in the structural analysis to test the hypothesis of the research that has been ditentukan.

Descriptive analysis showed that the poverty rate is still considered high, while the development of agriculture is deemed most appropriate to alleviate rural poverty in the Southeast. The result of path analysis shows that the structural model used in accordance with the data found weighted standardized regression from agricultural development constructs to poverty alleviation (0.94). This shows the strong influence of agricultural development on rural poverty alleviation in the Southeast.

The implications of the findings of this research is the most effective agricultural development and the starting point in alleviating rural poverty is the development of rural agricultural infrastructure and human resource pembangunan farmers through the construction of roads, bridges, piers, ponds, penyuluhan- agricultural extension and training the use of appropriate technology.

The study's findings could be an opportunity for further research to compare the subjective approach used in this study with an objective approach that has been used by researchers Indonesia. In addition, research can be conducted over a long period of time to observe the dynamics of agricultural development, and the state of rural poverty.

**Keywords:** Development, Poverty, and Farm Performance

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### I. Introduction

Agricultural development has become a major concern of world leaders (Bappenas, 2004; ADB, 2012, World Bank, 2015). This great concern is primarily because agricultural development is closely linked to poverty alleviation through improved farming performance (Adelman, 1996; Yoshino, 2012; Yoshino and Taghizadeh-Hesary, 2015). The successful development of agriculture will have a major impact in improving the welfare of rural farmers (Addabbo and Baldini 2000, pp. 292) thus reducing the number of rural poor (Wagle, 2007c). So the success of agricultural development can be interpreted as success in reducing poverty level in rural area.

A large number of heads of state joined in the United Nations have discussed the issue (The World Bank, 2012b; World Economic Forum, 2103; The World Bank, 2014). In the Millennium Summit in 2000, heads of state have agreed on the Millennium Development Goals (MDGs) as well as indicators targets improvement of the world is to reduce poverty by 50 percent by 2015 (Supriatna, 2000; Harniati and Woessmann 2011; Monchuk, 2014).

Poverty alleviation and income distribution inequality are at the core of all development issues (Baiguni and Susilawardani, 2002; Bappenas, 2004) and are the main objectives of development policies (Baiguni and Susilawardani, 2002; Bappenas, 2004). MDGs contains eight items of interest, one of which

is Extreme Eradicate Poverty and Hunger (The World Bank, 2006; The World Bank, 2014) or reducing extreme poverty and hunger.

Poverty received an important concern for poverty reduce quality of life (quality of life) community (Ananta, 1992; Tim preparation of the PRSP, 2002), resulted in a high load so sial economic (Chetty et al., 2013), the low quality and productivity of human resources (Bahri, 2005; Barro and Lee, 2013), and the decrease of public order (Subagio, et al., 2001; Yudhoyono and Harniati). So the problem of poverty, very important to be studied more deeply.

Poverty exists because of the inability of residents organized his life to the extent that is considered humane (Kumhof and Ranciere, 2010; Jenkins et al., 2011; Karlsson, et al., 2014). The inability to form a chain of causes of poverty commonly known as the poverty cycle (Kumhof and Ranciere, 2010; Jenkins et al., 2011; Karlsson, et al., 2014). This circle of poverty continues because of low income are not able to access the education facilities (Mubyarto, 1997; Sumodiningrat, Santoso, and Maiwan, 1999; Monchuk, 2014), health and nutrition as well (USAID, 2008; United Nations, 2011), causing the quality of human resources low (Kusnadi, 1995; Asian Development Bank, 2012), resulting in low productivity (Suyanto, 1996; Sumedi and Supadi, 2004; Koutsampelas and Polycarpu, 2013).

Kemiskinan happens within a family or community groups are multidimensional (Brady, 2003; Bérenger and Verdier-Chouchane, 2007; UNEP, 2011). Dimensi poverty concerning aspects of economic, political, socio-psychological and cultural (Alkire, 2008; OECD, 2008; Muwonge and Batana, 2014). Each dimension indicates the low position of the family or society to that dimension either relative or absolute.

Furthermore it is said that the poor population in Indonesia living in rural areas are characterized by vulnerability (Suselo and Tarsidin, 2008; University of Gajah Mada, 2012; Todaro and Smith, 2012), helplessness (Todaro, 2000; Khaliq and Noy, 2007; Asian Development Bank 2010) isolation (Siagian, 1989; Suhardjo, 1999; Coordinating Ministry for Economic Affairs, 2011), and inability to express their aspirations (Azin, 1994; Banerjee and Duflo, 2003; Shoji et al., 2010). More jaug, ondisi k causes: (1) high socioeconomic burden, (2) poor quality and productivity of human resources, (3) lack of people's participation, (4) decrease in public order and public tranquility; (5) declining public confidence in the bureaucracy in delivering services to the public; and (6) the decline in the quality of future generations. To solve the problem of poverty, it is necessary to understand the underlying causes of the aspects that trigger the emergence of poverty problems.

One of the main indicators of the success of a country's economic growth can be seen from the figures of poverty (Banerjee and Duflo, 2003; Baldwin, 2011; Berg and Ostry, 2011; Barr, 2012). Thus, kemiskinan be one of the themes main in development (Elias and Noone, 2011). Success and failure development is often measured by changes in levels poverty (Suryahadi and Sumarto, 2001) k arena poverty is a problem of development d itandai with unemployment, underdevelopment, and adversity (Jeon, 2014). The poor are weak in the entrepreneurial skills and have limited access to social and economic activities (Acosta et al, 2007). In such a context, poverty is closely related to capacity and population in an area itself.

Poverty is a combination of insufficient purchasing power (Gardner, 2000), the lack of capability (Cervantes-Godoy and Brooks, 2008), vulnerable and lost the strength to fight for a living (Erz and Tiffin, 2006). In everyday life, poverty is perceived in the context of insufficient income and ownership of money and assets in the economic dimension (Yudhoyono and Harniati, 2004).

Various Poverty reduction efforts by the Indonesian government, but the poverty rate remains high (Soekartawi, 1993; Subbarao et al., 2013). Various pengentasan poverty programs have been designed and implemented by various government agencies with different approaches (Prayitno, 1985; Sumodiningrat, 1997; 2012; Pangestu, 2012; Halter et al., 2014). However, poverty has not changed much (Hill, 2000; Othman and Abdullah, 2012; Hardiyanto, 2012). Policies launched by governments has not been effective enough to reduce poverty (Arifin 2009; Aswicahyono et al., 2009; Ascarya, 2012). According Buediono (2005) u quagmire of poverty reduction has been characterized by: (1) rests on macroeconomic growth, (2) many therapeutic (curative) and even more that are charity (charity), (3) policies that do not take into account the indicators and the characteristics of poverty, (4) lack of sustainability in implementation, and (5) centralized policies and tend to be uniform.

Southeast Sulawesi has a population of 2,230,569 inhabitants in 2014, with a growth rate of 1,87% or greater than pertumbuhan Indonesia's population of 1.49%. Total poor rural areas of Southeast Sulawesi in 2006 were 436.8 thousand or 28.47%, then the year 2014 decreased to 284.770 soul or 12,0 to 8%. The number of poor people is still very high when compared with the population of productive age in Southeast Sulawesi.

Research on agricultural development in relation to poverty alleviation has been widely studied in Java (Effendi, et al., 1996; Boediono, 2005; Brodjonegoro et al., 2009). However, similar research has not been conducted comprehensively within the scope of Muna District, Konawe District, South Konawe District, and Buton Regency. With an adequate understanding of the problems of poverty, including a variety of contributing

factors in four districts, it is expected that policy makers can formulate policies and programs on target, so the problem of poverty can be solved or can be reduced to the lowest possible level.

The fact shows that most of the poor in Southeast Sulawesi province is domiciled in rural areas and the agricultural sector is the main livelihood of the poor (BPS, 2014). With such a reality, local governments should give greater priority to agricultural development especially in rural areas of Southeast Sulawesi Province.

Various efforts have been made to alleviate rural poverty, the reality in the field shows is still far from what is expected (Wibowo, 2015). Absolute poverty in rural areas has not shown significant reductions (Bappens, 2014). Therefore, more in-depth research is needed to determine the exact causes and methods of alleviating rural poverty in the province of Southeast Sulawesi.

Based on the description above, the formulation of research problems is as follows: Is the effect of agricultural development on rural poverty alleviation in Southeast Sulawesi?

## **II. Literature Review**

Economically, poverty can be defined as a lack of resources that can be used to meet the needs and improve the well-being (Orauboune 2008; Gaihre, 2012). Resource shortages e konomi it concerns the financial aspects (Arif and Bilquees, 2007; Khan, 2011) such as the availability of money to buy food, clothing, and housing (Erenstein, Hellin and Chandra, 2010) including all kinds of wealth (wealth) which can improve the welfare of the community. Much effort has been made to alleviate this economic poverty because economic poverty is thought to improve or exacerbate other dimensions of poverty (Deutsch and Silber, 2008; Khan, Saboor, et al, 2015). Therefore, if the mention of poverty generally people think is what is meant economic poverty (Hagenaars, 1986, Hagenaars, 1991; Summer, 2004; Johnson, Smeeding and Torrey, 2005). This slightly erroneous view makes poverty alleviation programs more focused on poverty alleviation from the economic dimension and less attention to other dimensions of poverty.

Lewis (1955) was the first of many development economists attempting to explain the paradox. He Viewed economic development as a process of relocating factors of production from an agricultural sector Characterized by low productivity and the use of traditional technology to a modern indus trial sectors with higher productivity. Lewis' s theory was interpreted as advocating industrialization and used to justify government policies that favored protection for domestic industries and, explicitly or implicitly, taxed the agricultural sector (Kir kpatrick and Barrientos, 2004). That theory and it implications for policy have been largely debunked in the past decades (Anderson and Valenzuela, 2008).

A paper produced by DFID (2004) emphasises the historically close correlation between different rates of poverty reduction over the past 40 years and differences in agricultural performance - particularly subject to the rate of g rowth of agricultural productivity. The authors see links between agriculture and poverty reduction as being forged through four "transmission mechanisms": 1) direct impact of improved agricultural performance on rural incomes; 2) impact of cheaper food for both urban and rural poor; 3) agriculture "s contribution to growth and the generation of economic opportunity in the non-farm sector; and 4) agriculture "s fundamental role in stimulating and sustaining economic transition, as countries (and poor people" s livelihoods) shift away from being primarily agricultural towards a broader base of manufacturing and services. They go on to note that the most important thing is the development of the power plants.

## **III. Research Method**

The study design is an action that shows in detail how something research is put into action (Babbie, 2011). According Sabitha (2006), the research design also serves to help researchers as a guide in the process of collecting, that analyze and make the interpretation of the results of research undertaken. Zikmund, Babin, Carr, and Griffin (2010) stated that based on the research objectives, there are three types of research designs that are explorative, descriptive and explanative / causal.

This study design using quantitative research methodology that is kind of causal relationship (causal) to determine the effect of agricultural development on poverty alleviation through improved performance pe rdesaan farming in the Southeast. This study is explamatory (explanation) that explain the causal relationship between the variables of agricultural development, improved farming performance and poverty reduction in the rural areas of Southeast Sulawesi through hypothesis testing. This study applies survey method and uses data collection instrument in the form of questionnaire to get primary data needed in this research.

Creswell (2003) states that quantitative methods are primarily used to test or verify theories or explanations for identifying variables related to questions or hypotheses, using legitimacy and trust standards, using statistical procedures to explain and answer questions and test the research hypothesis. Therefore, before conducting the research first formulated the problems and hypotheses to be guidelines in this study, will then be tested based on predetermined criteria and analysis tools used.

The advantage of quantitative methods is its ability to generalize in large research samples. The weakness of the dependence of large research results on the instrument used is a questionnaire, so difficult to obtain information that has not been anticipated by the questionnaire used. This research rests on the concept Malhotra in Azis Muthalib (2014: 67) that the process of research conducted in a structured and using a sample that is large enough to represent the population, so the result is something that is conclusive for the population of the samples taken and lead to the conclusion that can be generalized.

Qualitative methods are used to enrich the data and the depth of the research analysis. In addition qualitative methods are also used to explain the effect of agricultural development on rural poverty alleviation through improving the performance of farming. To obtain information relating to this subject, interview guides and important notes related to interrelationships between exogenous variables and endogenous variables are used.

This research was conducted in Southeast Sulawesi Province with sample area of Muna District, Buton Regency, South Konawe Regency and Konawe Regency. The consideration of the sampling of the regency has the potential to develop the agricultural sector, besides the consideration of the territorial representation of Muna District and Buton Regency representing the archipelago, while Konawe Selatan and Konawe regencies represent the mainland in Southeast Sulawesi Province. For a description of each district are: Muna regency consists of 22 Districts and 123 villages. Buton regency consists of 7 districts with 83 villages. Konawe Selatan Regency consists of 22 subdistricts divided into 265 villages. While Konawe Regency consists of 19 districts with 183 villages. So the total village which is the population of this research is 654 villages.

Based on samples of research area of 4 (four) regencies: Konawe, South Konawe, Buton and Muna with 654 villages in 4 (four) regencies, the sample of this village is 10 percent from 654 villages 65.4 rounded 65 villages, then each village taken 4 people as respondents ie 1 person from the village government and 3 people from community leaders, so that the number of respirden this research as many as 260 people.

Primary data and secondary data on the development of agriculture, farming performance, and poverty alleviation in the region samples taken 4 districts namely Kolaka, Konawe, Muna and Buton. The basis of consideration for the determination of the four districts as the sample area in this research are: (a) The district is very potential for the development of its agricultural sector, (d) The district has represented the islands and islands in Southeast Sulawesi Province.

Data analysis is the process of arranging the sequence of data, organizing it into a pattern, categories, and units of basic descriptions so that it can be found the theme and can be formulated working hypothesis as based on data. Taylor, (1975: 79). Data analysis used in this research is descriptive analysis and Structural Equation Modeling (SEM).

#### **IV. Result And Discussion**

##### **Effect of Agricultural Development on poverty**

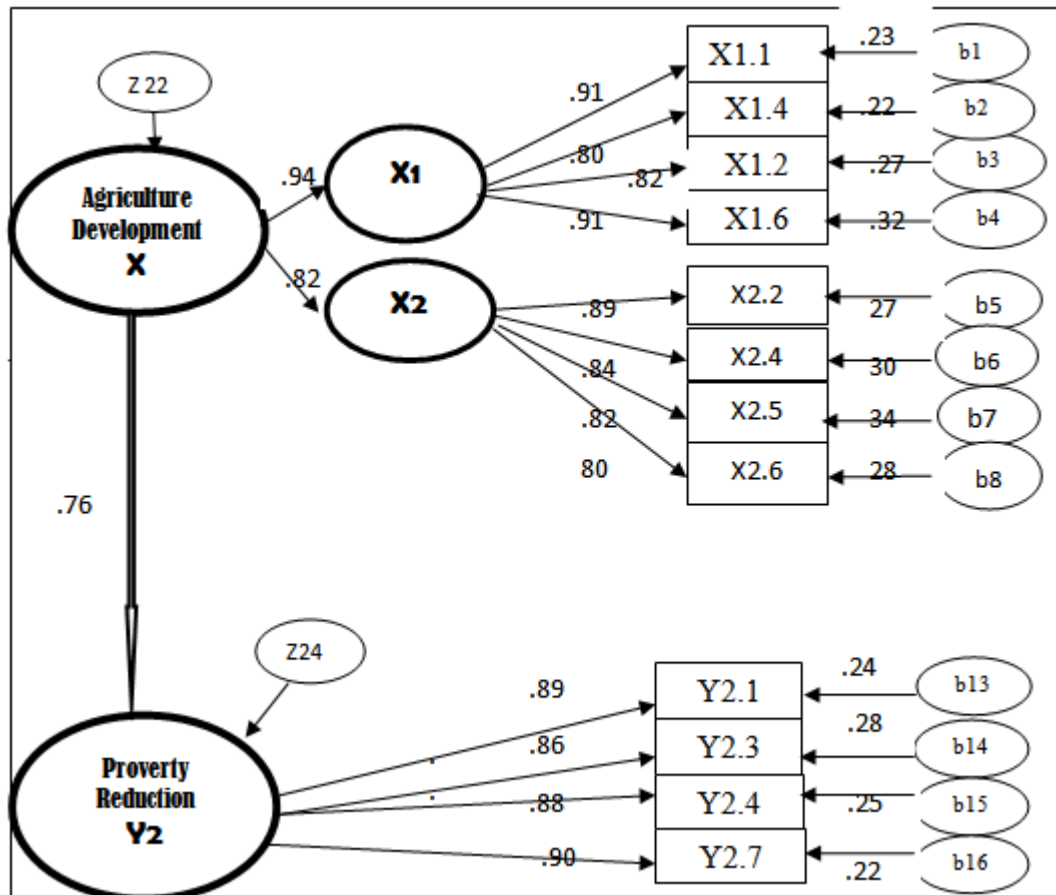
According to Schumpeter development economic interpreted as an increase in society's total output (GDP), economic growth (Growth) and economic development (Development) ny a second source of increased output is the community which will further reduce poverty. Economic growth as an increase in output of society caused by the increasing number of production factors, the increasing number of infrastructure development, and improved quality of human resources. Boediono, (1985: 48) said Indonesia Economic p economics shown by the increasing public revenue caused by a number of innovations and increasing technology because of the increasing quality of human resources.

ML Jhingan (1988: 7) p Developing means developing people's real income potential by using investments that produce a variety of changes and enlarges the product t if in society will raise the real income per person late. Agriculture development mean increased incomes due to the increasing number of production factors, improvements in the agricultural infrastructure and increasing human resources of rural farmers.

In this study, an agricultural Builders measured through d imensi development of rural agricultural infrastructure and (X2) human resource development dimension farmers. Indicators in each dimension is measured by the respondent's perception of what they see and enjoy in environment of rural areas. H acyl analysis shows, agricultural development positive effect in alleviating rural poverty through the mediation of performance improvement of farming. Development dimensions of rural agricultural infrastructure measured by indicators: Road construction and improvement of rural areas, Construction of dams and reservoirs, supply of fertilizer and pharmaceuticals (production tools) rural areas, Construction and repair of bridges and piers rural areas. While the dimensions of the human resource development of farmers measured by indicators: Power companion for farmers prepared by the government, Extension to farmers in agricultural business planning activities, counseling to farmers ahead of the planting, harvesting and post-harvest period, and Training to farmers in the use of new farming technology.

The results of this research analysis show a positive relationship between agricultural development with poverty alleviation in Southeast Sulawesi. Intercorrelation between agricultural development of poverty alleviation rural area shown in Figure 5. 6 below.

Figure 5. 6. Structural Model with agriculture Development and Proverty Reduction



Source: o the results of the data fields

Both the construction of agricultural infrastructure and human resources mbangunan pe farmers have a positive relationship with a san pengent rural poverty (Proctor and Lee, 2006). In the picture 5. 6 above shows a strong relationship between the constructs of agricultural development with a san pengent rural poverty in Southeast Sulawesi, as seen after the square compared to the variance values obtained from each construct (Hair, Black, et al, 2010). Match the index can be seen in Table 5:24 which shows that all fit indices enter both categories shows that the development of agricultural infrastructure and pe mbangunan human resources farmers have a positive relationship with the pen gentasan poverty (Hair et al, 2011) Goodness-of-fit indices relations between the two kontsruk are shown Table 1 following :

**Tabel 1.** Goodness of poverty alleviation fit the agriculture development

Size Goodness-of-fit		Results	Value B top	Fit Good	Level Fit
Chi square	$\chi^2$	17.12			
Probability	P	.039	<.05	×	Bad
Normed chi square	$\chi^2 / df$	2.48	<3.0	√	Good
Goodness of Fit Index	GFI	.95	≥.90	√	Good
Adjusted Goodness of Fit Index	AGFI	.91	≥.90	√	Good
Tucker Lewis Index	TLI	.97	≥.95	√	Good
Comparative Fit Index	CFI	.98	≥.95	√	Good
Standardized Root Mean Square Residual	SRMR	.03	≤.05	√	Good
Root Mean Square Error Approximation	RMSEA	.08	≤.08	√	Good

Source: analysis of survey data collected for this thesis

Many researchers have found an increase in the quality of resources largely determines ma nusia poverty reduction (Clark, 2006; Hulme and Toye, 2006;). Counseling farmers in modern farming has a positive impact on reducing poverty (Hulme and Toye, 2006). The development of investment in the development of rural agricultural facilities and infrastructure has provided many proofs of research results to reduce rural poverty (Clark and Alkire, 2008; Rural road construction and procurement of agricultural inputs is very influential on the increase farm production and the selling price of farming farmers.

The influence of rural development on rural poverty alleviation Poverty has become a very complex, multidimensional and universal problem, because it deals with various aspects of community life that require a comprehensive, integral and sustainable regional development program. Poverty is a combination of insufficient purchasing power, lack of capability, vulnerable and lost the strength to fight for a living, insufficient income and ownership of money and assets in the economic dimension (Yudhoyono and Harniati, 2004).

Poverty alleviation is at the core of all development issues and is a key development policy objective (Hill, 2013, Hoeller, Joumard and Koske, 2014). Poverty is a concern important because it lowers the quality of life (quality of life)community, and the low quality of human resources (Ananta, 1992; Tim preparation of the PRSP, 2002;), resulting in low productivity of the population and ial s load height so the local economy (Bahri, 2005; Barro and Lee, 2013). Thus with less poverty reduction efforts need to be supported by the human resource development program, h acyl these studies show that the development of human resources with farmers significant influence in a positive direction towards the alleviation of rural poverty through the mediation of farm performance improvement.

Agricultural development through the improvement of rural infrastructure development and agricultural inputs p engadaan a very important role in the fight against poverty (Fan, 2008), as well as human resource development of farmers who regularly and continuously in turn will shortly ingkatkan farming performance and alleviating poverty (Haya ni, 2005). Agricultural development is measured through development dimensions of rural agricultural infrastructure and human resource development dimension farmers. Human resources is one of the critical dimensions of success of agricultural development (Byerlee, de Janvry and Sadoulet, 2009). With the p Education and skills training of farmers is animportant element that determines the capabilities and productivity of farmers in carrying out farming activities. Agricultural development is measured through development dimensions of rural agricultural infrastructure and human resource development dimension farmers. Indicators in each dimension is measured by respondents' perceptions about the construction of agricultural infrastructure in rural and human resources development Suber farmers that they see and enjoy in the environment of rural areas. According to the results of this research, human resource development pembagunan farmers and agricultural infrastructure will alleviate rural poverty through mediation p Enhancing the performance of the farm.In this study the development dimension of rural infrastructure measured by indicators: Road construction and improvement of rural areas, Construction of dams and ponds, Procurement of fertilizers and pharmaceuticals (production tools) rural areas, Construction and repair of bridges and piers rural areas. While the dimensions of human development measured by the indicator farmers: Assistants to farmers prepared by the government, Counseling to farmers in agricultural business planning activities, Extension to farmers ahead of the planting, harvesting and post-harvest period, and Training to farmers in the use of new farming technology.

Results of the analysis showed that agricultural development is measured through two dimensions are significant berpengaruh against p engentasan rural poverty with path coefficient of 0.94. As per the perception of farmers the influence of agricultural development on poverty alleviation rural and hindered seen and felt are: Just eat three times a day for all family members, There are additional household furniture, televisions, chairs, etc., Being able to buy new clothes at least 1 post for a year to all the members family, and Able to finance their children's education at least until graduated from high school.

Poverty reduction is in addition influenced in the increase of farmers' skills in the execution of farming activities through the development dimension of human resources of farmers, it is also strongly

influenced by the development of infrastructures of rural areas through the development dimension rural facilities and infrastructure that me m given the impact on pengentsan rural poverty through mediation increased performance farming . Poverty exists because of the inability of the population in holding to his early life to the extent that is considered humane (Kumhof and Ranciere, 2010; Karlsson, et al., 2014). This circle of poverty continues because of low income can not afford access to the means of education, health care and nutrition as well (USAID, 2008; United Nations, 2011), causing the quality of human resources (Kusnadi, 1995; Asian Development Bank, 2012a;), consequently the productivity of the population low (Sutrisno,1995; Sumedi and Supadi, 2004).

Within the framework of this theoretical concept, the human resource development of farmers through education and skill enhancement indicator becomes important and strategic in affecting the ability of farmers to access new information, especially in the development of farming activities more m aju to pen ingkatan quality agricultural production, and ultimately have an impact on farmers' income increase and poverty reduction in rural areas . P e mbangunan Human Resources farmers identified subjectively from the respondent's perception of what they see or experience for pe mbangunan human resource farmers in order rural poverty reduction through the mediation of performance improvement of farming .

P engentasan poverty is also influenced by the development of agricultural infrastructure and the provision of agricultural inputs to increase their farm production, they can be marketed agricultural production smoothly and they can receive the price of their farm with a decent result for farmers.

These results indicate that pe mbangunan rural facilities and infrastructure have a significant effect in a positive direction towards the alleviation of rural poverty either through mediation performance improvement of farming and the direct influence of the dimensions of the construction of rural facilities and infrastructure in the form of fertilizer procurement and drugs for farmers, direct cash assistance government and community development activities such as intensive projects are managed directly in the village . This means pe mbangunan rural facilities and infrastructure that dipresepikan development and improvement of rural roads, construction of dams and reservoirs, supply of fertilizers and drugs, and the construction and repair of bridges and piers rural areas can alleviate rural poverty through mediation p Enhancing the performance of the farm in the form of further improve the production and quality of agricultural production, improving the accessibility of farmers in memasarkan results of their agricultural production and lowering the transport costs of agricultural production and increase the prices of agricultural production which in turn affects tingkatat reduction of poverty of rural areas in Southeast Sulawesi .

Poor people who live in rural areas characterized by vulnerability, powerlessness , isolation, and inability to express their aspirations (Suselo and Tarsidin, 2008; University of Gajah Mada, 2012;). K ondisi causes: ( 1 ) high socioeconomic burden, ( 2 ) poor quality and productivity of human resources, ( 3 ) lack of people's participation, ( 4 ) decrease in public order and public tranquility; ( 5 ) declining public confidence in the bureaucracy in delivering services to the public; and ( 6 ) the decline in the quality of future generations.

To solve the problem of poverty, it is necessary to understand the underlying causes of the aspects that trigger the onset of the problem of poverty. Empirical evidence shows that the largely rural population are farmers, so that it can be said that the rural population depend largely on the outcome of their farming life expectancy. Thus one strategy for poverty alleviation in the region of rural population through the development of agriculture. In this research, agricultural development is measured through the dimensions of rural infrastructure development and farmer shows the dimensions of human development path coefficient of 0.94. A very strong path coefficient is dominated by the influence of the accessibility of rural areas as a result of the construction of rural roads, jembantan development, and construction of the pier .

In this context showed that there is a strong relationship between the accessibility to the increase in income of farmers in rural , if the improved accessibility means the potential to increase revenues also increased because there are time savings that can be utilized for a variety of economic activities. Thus the accessibility improvements are beneficial to improving the welfare of farmers rural by the availability of free time for productive activities that menjad i foundation for economic development people in rural areas .

## **V. Conclusion and Suggestion**

### **Conclusion**

From the results of the analysis of the effect of agricultural development towards poverty alleviation conclusion:

1. Agricultural development is positive and signifkantan against poverty rural areas in Southeast Sulawesi, with a coefficient of correlation of positive 0,76. This indicates a relationship that is strong and unidirectional , if enhanced agricultural development through the improvement of the development dimension of rural agricultural infrastructure and resources development dimension human farmers, the alleviation of rural poverty is getting better or level kemiskina n rural areas in Southeast Sulawesi will decline.

2. Agricultural development and significant positive effect on poverty reduction in the rural areas of Southeast Sulawesi. Backward linkages of agriculture sector spur rural economic growth through increased productivity of rural communities, improving the quality of production, and increase the added value of agricultural production. Linkage future agricultural sector will spur the growth of industry input providers and encourages growth and development of agricultural product processing industry which will generate multiplier effects (*multiplier effect*). Berdasarkan results of the analysis, the development of agriculture and rural areas can be a powerful instrument in efforts to eradicate poverty rural areas in the Southeast.

## 6.2. Suggestions

From the analysis of the study's findings and an inference, it is recommended as follows:

1. Budgeting policy development has seen should it maybe require large allocations on agricultural development, particularly in the construction of agricultural infrastructure in rural and human resource development of farmers, because of its contribution to the improvement of farming performance, outstanding contributions to the formation of Gross Regional Domestic Product (GDP) and capable of absorbing ten a job that many farmers in the rural areas primarily in the Southeast.
2. Poverty reduction strategies rural areas should be at the start with the construction of agricultural infrastructure in rural to ensure smooth transportation of agricultural production to marketing centers at a cost of freight cost and the selling price of production is relatively high, such as road construction village, farm roads, bridges and piers and the availability of superior agricultural commodities and agricultural inputs (fertilizers and pharmaceuticals) to increase the production and quality production of rural farmers. In addition, construction of agricultural infrastructure in rural areas must simultaneously follow the human resource development of rural farmers to increase production, quality farm production and rural farm production prices, such as the implementation of extension activities ranging from farming to the post-harvest planning and trainings conducted regularly and continuously. Development of rural agricultural infrastructure and human resource development of rural farmers will improve the performance of farm, farm performance improvement will further alleviate rural poverty in the Southeast.
3. Launch of rural road development program. Access to infrastructure and roads proved to have a correlate of poverty. Having a road passable throughout the year associated with a higher level of expenditure in rural areas 7.7 percent higher. Areas that have poor transportation facilities in Eastern Indonesia will enjoy greater benefits if improved transportation infrastructure. Analysis shows that improving the quality of roads will result in an increase in the proportion of average income in the countryside are derived from agricultural businesses by 61 percent of poor households that have access to asphalt roads. Currently, around four-fifths of all roads is the responsibility of local governments and 64 percent of these roads are considered to be in less than good condition, because the allocation of maintenance funds continues to decrease. For local roads is necessary to increase the funds mainly for maintenance, through an appropriate strategy. One option is a special DAK. These funds could be targeted (using poverty maps) to the regions worst of access for the poor.

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