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Economic Development and Allocation in Family Farmers in Indonesia

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ABSTRACT

This research, which is significant, examines the relationship between development and economic allocation within farming families in Indonesia. The study focuses on the impact of development on the socio-economic dynamics of farming families. Development is characterized by agricultural mechanization, expanded employment opportunities, and advanced education, which stimulate the lifestyles of farming families. However, these changes still leave a number of problems within farming families, including economic inequality. This research uses a literature review method, drawing on a number of sources (books, articles, freelance writing, and research results) related to the research objectives. The results of the study indicate that development has dynamized changes in the rural economy, particularly the participation of women in both agricultural and non-agricultural sectors. Development has had a real impact through the role of farmers (including women) in improving and strengthening the family economy. However, the economic allocation of farming families in Indonesia is still linked to patriarchal traditions that construct men as having the maximum allocation of power within the family. This is a real problem and represents an inequality in the development of farming family communities in Indonesia. However, development has shown an increase in farmers' welfare in several areas of life.

Keywords: Development, Economic Allocation, Farming Families

INTRODUCTION

Development is change in various areas of life (social, cultural, economic, political, and security) to promote community welfare (Krupík, 2025; Lv, 2022; Zhang et al., 2024). Understanding the Indonesian context, the agricultural sector is a core sector in rural community life, as the majority of villagers develop agricultural sectors according to the potential of their region and community (Malapane et al., 2024; Pavliuk et al., 2025; Rostami & Salehi, 2024). In this regard, the success of development is closely linked to indicators of increased productivity among farmers in Indonesia. Since the New Order, development dynamics have brought many fundamental changes to the agricultural sector. Mechanization, access to education, and infrastructure have shaped the dynamics of employment in the agricultural sector. However, it is also important to consider the general implications of several problems faced by farming families, such as high production costs, limited capital, limited land allocation, and various other issues (Guan et al., 2023; Winarno et al., 2025; Yan et al., 2023).

Understanding the above, it is urgent to examine this issue. Specifically, this research focuses on the relationship between development and the economic allocation of farming families. Farmer work allocation, in this case, is related to decision-making, productive roles, and resource use (Cecílio et al., 2025; Josephson, 2025; Wu et al., 2024). The role of rural farmers in responding to agricultural challenges and massive social change is an area that requires

attention. The strategies used by farming families to prioritize agricultural potential, family education, and survival strategies are crucial. In this regard, it is crucial to study the development and allocation of farmers' economies in relation to socio-cultural changes in rural communities. Currently, due to the significant challenges faced by farmers, many farming families are employing active strategies to sustain their livelihoods.

Farming families engage in non-agrarian activities, which they view as supplementary income for their livelihoods. This understanding relates to their financial management, which, in the farmers' mindset, will improve their well-being. However, many farmers misunderstand occupational patterns for improving their well-being. In this regard, this research is urgent because it is linked to a development orientation, demonstrating that development contributes to the dynamics of improving farmer welfare.

In addition, this study will provide a new perspective, addressing development and rural social change. Theoretically, such a study needs to be generalized to construct an understanding of rural areas. And pragmatically, it can serve as a basis for policymakers to formulate tactical, people-centered steps to achieve an inclusive community, leading to a just and dignified society. In this regard, this research will provide the foundation for constructing a policy that can create an inclusive, prosperous, and just rural farming community.

METHODS

This research is library research that seeks to reveal the relationship between development and economic allocation in farming families. The literature review was conducted by dissecting various literature, both published and freelance, in order to express the research objectives. The data collected in this research did not take data from empirical data, but attempted to explore secondary data, found in relevant literature. Data collection was carried out by categorizing, classifying, and then interpreting and analyzing it, in content analysis. Through the research approach used, the elegant relationship between development and the economic allocation of farming families in rural areas is understood. This research finding is sufficient to indicate the urgency of maximizing development in various sectors by increasing the economic allocation of farming families in rural areas (BPS, 2025; Ministry of Finance of the Republic of Indonesia, 2025).

RESULT AND DISCUSSION

Research findings indicate that development, which has an impact on rural agriculture, has had a significant impact on improving the economic well-being of farming families. The government has developed several agricultural sectors to improve farmers' living standards, including rural road construction, improved agricultural equipment, mastery of effective technology, agricultural production equipment, and various other areas that support the agricultural sector. Likewise, the emergence of guaranteed access to agricultural product distribution has made it easier for communities to increase productivity. Furthermore, development has stimulated an increase in the economic standard of rural communities (World Bank, 2024). This is made possible by farmers' ability to undertake additional work outside the agricultural sector. Additional work undertaken by farmers, such as working in home businesses, as farm laborers, or in other service sectors, can develop other sectors. This job diversification is an important alternative for farmers to maintain the economic pattern in rural communities (Bitana et al., 2023; Hossain, 2024; Pede et al., 2024).

In other respects, it is also quite understandable that, along with increasing family needs, many farmers have taken on part-time jobs, developed agricultural extensions, and implemented advanced technology (He et al., 2023; Huang et al., 2023; Oladapo et al., 2025). Similarly, it is understood that some farmers still develop their economy solely based on small agricultural plots, using only the technology available, within their capabilities. However, it is understandable that the excesses of development have touched all elements of the farming community in rural areas. In this regard, it is quite understandable that development has influenced the economic allocation of farmers in rural areas, although this has not been evenly distributed (Imangulov et al., 2024; Kamaludin, 2023; Yusriadi et al., 2024). Development has transformed their lifestyles, and they view agriculture no longer as a low-yielding occupation but as one that provides a viable livelihood in the future. However, the government must be sensitive to rural conditions, which require appropriate technology to increase farmer productivity.

Apart from the impact of development above, on the lifestyle of farmers in rural areas, it is understood that development has had an impact on the farmers' economy, although it still needs to be improved. In terms of economic allocation within farming families, agriculture has met the needs of farming families, in order to meet the basic needs of farmers. Most of the results of farmers' work are used to meet daily needs for clothing, housing, education, and the need for relationships with other community members. Maximizing the needs or needs of farmers for basic needs that are inevitable indicates that farmers still need a higher level of economic improvement, to be able to achieve prosperity. In this case, it shows that farmers in rural areas are still at a stagnant economic level, and the need for the government, through rural development, to understand the interests of the bottom up, in order to meet fundamental needs, which remain a fundamental obstacle in improving the economic level of farmers (UNDP, 2024; FAO, 2024).

In terms of expenditure, farmers' spending varies considerably. The educational awareness of farming families also leads to high costs for boarding and education, which are essential for obtaining a decent education. Farmers have acknowledged that investing in education is a primary investment, non-negotiable. Farmers' awareness of education stems from a fundamental understanding that education is a priceless investment. Furthermore, rural farming families also allocate their income to religious activities, particularly the hope of performing the Hajj pilgrimage. Most farmers acknowledge that performing the Hajj pilgrimage is a prestigious achievement, second only to their children's education (Ministry of Religious Affairs of the Republic of Indonesia, 2024). Similarly, in social spending, farmers allocate funds for matters related to celebrations, family parties, and various other social activities within the community.

Similarly, given the high costs incurred by rural farmers, farming families address this by actively engaging in strategies that maximize women's roles in agricultural and non-agricultural activities. The involvement of women in livelihood-earning activities is nothing new, as numerous studies have demonstrated. In this context, women, as subjects of rural communities, are no longer understood as consumers but as producers of development. The role of rural women as producers of development is indicated by the various vocations they have undertaken, such as farming, farm laborers, vegetable vendors, home businesses, and various other vocations, all of which contribute to increasing family income. Women's contributions in these vocations are part of the farming family's economic resilience amidst the various economic pressures they experience. In this context, it appears that women play a strategic role in improving and addressing family economic challenges. The role of women in rural areas is not only maximally active in the domestic sphere, as household managers, but also women are active in the public sphere as breadwinners. In the agricultural sector, women are involved in

planting, plant maintenance, harvesting, and post-harvest activities (Nalle et al, 2025). In addition, many women develop side businesses such as trading, processing agricultural products, opening small businesses, and working in the service sector. These contributions demonstrate the strategic role of women in improving family income. Several studies have shown that women's involvement in maintaining the family economy has become a full effort, and demonstrates that women's role is based on awareness to improve the family economy, not merely ideology or saving the family economy (Makka et al., 2024; Saha et al., 2025; Wuryan et al., 2025). In this regard, it also shows that social changes that have penetrated rural areas have constructed village women, gender-sensitive, active to participate in development.

Various studies have shown that although women are maximally involved in increasing family income, it is undeniable that access and control, as the subjects of family economic activity, still demonstrate gender inequality and discrimination in their roles. Many strategic roles related to production activities, such as land use, business investment, and product sales, are still largely determined by men/husbands, thus subordinating women's roles (Winarti et al., 2025). However, along with social change in rural areas, gender relations within farming families are beginning to open up, embracing partnerships, and increasing recognition that women's roles are no less important than men's.

While rural development has broadened economic opportunities and enhanced women's involvement in agricultural and non-agricultural sectors, these accomplishments should not be regarded exclusively as markers of social advancement. Development has yielded numerous contradictory outcomes that persistently influence the daily experiences of farming families. Although women are progressively engaging in income-generating activities, their involvement does not necessarily result in enhanced control over productive resources or decision-making authority within the household.

In numerous rural communities, women persistently encounter structural limitations stemming from patriarchal cultural norms. Despite women's significant contributions to household income via farming, trading, agricultural processing, or wage labor, strategic decisions concerning land ownership, agricultural investment, credit utilization, and marketing of agricultural products frequently remain under the control of male household members. As a result, women's economic contributions are often perceived as ancillary rather than equivalent, leading to an imbalance where their responsibilities expand without a proportional enhancement in authority or negotiating ability.

The increase of women's economic roles may also create a dual burden. Women are anticipated to engage actively in economic endeavors while concurrently fulfilling obligations related to domestic labor, childcare, home administration, and family caregiving. Consequently, growth may inadvertently exacerbate women's workload instead of alleviating gender inequities. This circumstance demonstrates that enhanced labor participation alone is inadequate for attaining meaningful gender equality in rural agricultural areas.

A further contradiction of rural development pertains to the inequitable access to resources. Technological innovation, agricultural mechanization, and market development are typically more attainable for households with larger landholdings, robust social networks, and substantial financial resources. Smallholder farmers often face challenges in obtaining loans, sophisticated agricultural technologies, and market information. As a result, the advantages of development are inequitably allocated throughout rural communities, resulting in inequities between well-resourced households and more vulnerable agricultural families.

These findings indicate that development must be perceived as a multifaceted and irregular process rather than a consistently beneficial transformation. Although development has significantly enhanced livelihood diversification and economic conditions for agricultural households, it has concurrently perpetuated specific inequalities related to gender dynamics,

resource ownership, and access to economic opportunities. Consequently, forthcoming rural development plans must prioritize not just the enhancement of productivity and income but also the resolution of structural impediments that hinder women's empowerment and fair resource access. This strategy is crucial for guaranteeing that development outcomes are inclusive and socially equitable.

The above discussion demonstrates that development and a number of changes in rural areas have had a significant impact on improving the standard of living for farming families, although this has not been evenly distributed. Government policies, including improvements in agricultural mechanization, education, health, and various sectors that support a conducive village life, have fostered constructive participatory patterns. However, several issues remain, such as patriarchal culture, limited business capital, and unstable agricultural commodity prices, all impacting the welfare of farmers. In this regard, the government needs to encourage regulations that favor rural communities, such as strengthening farmer capacity and increasing the effective participation of various development stakeholders, including women.

Based on the above analysis, it is clear that development has stimulated economic change in farming families through the development of dynamic business opportunities, income diversification, and maximizing women's participation in productive economic activities. Therefore, government-led development must be family-oriented, gender-equitable, sustainable, and dignified.

The results of the above study indicate that development has generated social change, which is urgently needed to alter the economic allocation of farming families. Changes are evident in a number of agricultural and non-agrarian sectors, with a number of economic activities believed to increase the income of rural communities. This situation demonstrates that development is not solely concentrated in urban communities but also impacts rural communities, despite a number of cultural problems that still hinder the development of an effective development scenario.

From the perspective of Talcott Parsons' Structural Functional Theory, the farming family is a social system comprised of several interrelated elements that maintain balance. Likewise, within this social system, each subsystem has a function in running the organization, ensuring the survival and functioning of the system effectively (Turner, 2024). In this context, all elements within the family must be understood as having a role in creating a harmonious and balanced family. The balance referred to is not only in terms of aspects, goals or integration, but is also related to adaptation to the birth of social maintenance patterns in society.

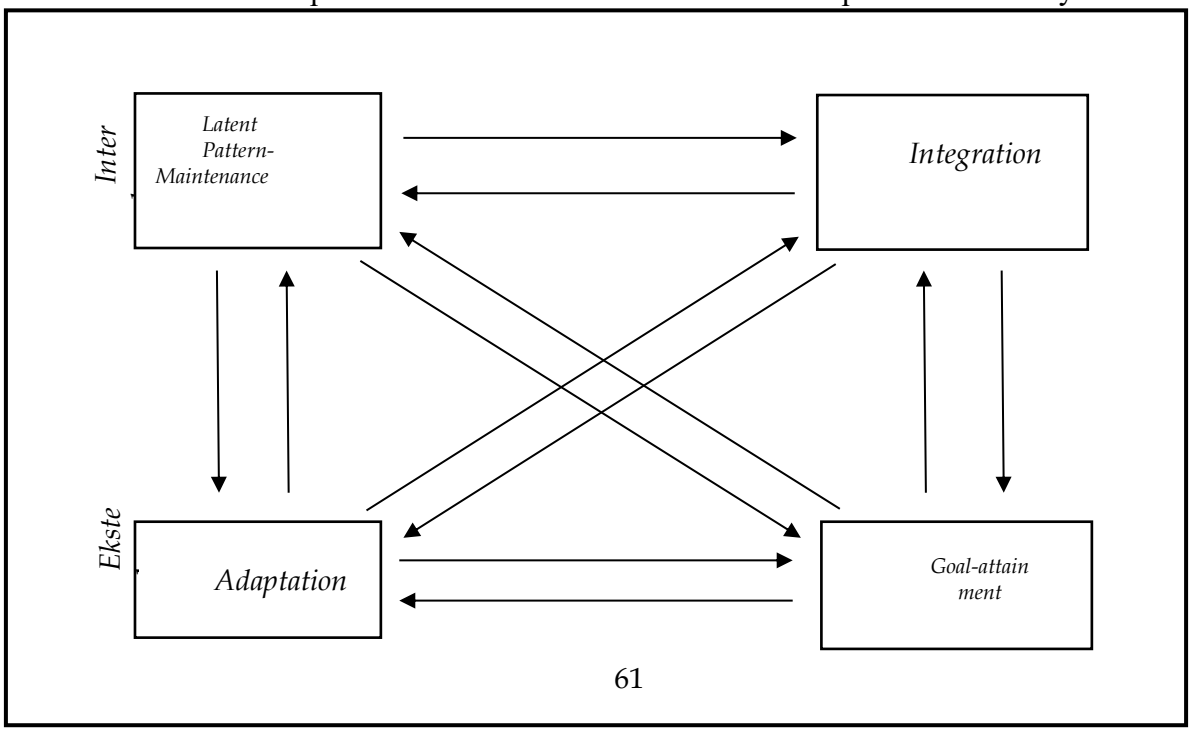

Figure 1: Functionalization of subsystems in the Functionalist Perspective
Source: Poloma, Margaret M. 1994. Contemporary Sociology. Jakarta: PT RajaGrafindo Persada.

In relation to the social system of farming families, the explanation of Talcott Parsons' Structural Functional Theory is understandable in several AGIL explanations. This explanation shows how the structural functional theory works to understand the conditions of rural farming family systems. The Adaptation Function (A) is the family's ability to adapt to socio-cultural changes. In this regard, women are also expected to carry out development functions for the benefit of the family. The Goal Attainment Function (G) is the effort to achieve the system's goals. In this regard, the intended goal is oriented towards creating a reliable, dignified, and dynamic farming family in accordance with the expectations of farming families. The Integration Function (I) is the unification of all resources within the farming family system. Unification is to avoid disintegration, which can disrupt the subsystems within the farming family. The Latency or Pattern Maintenance Function (L) is the maintenance of all elements related to the social system, such as values, norms, and culture inherited from within the farming community. In this regard, it can be understood that based on Talcott Parsons' Structural Functional perspective, development is something that stimulates changes in the economic allocation of farming families in rural areas.

CONCLUSION

This research, a significant one, examines the relationship between development and economic allocation within farming families in Indonesia. Rural development has given rise to a number of changes, such as expanded employment opportunities, agricultural mechanization, and advanced education. These changes in rural communities have resulted in a number of problems within farming families. Development has dynamized rural economic change, including having a real impact through the role of farmers (including women) in improving and strengthening family finances. However, the economic allocation of farming families in Indonesia remains linked to a number of old patterns that construct men as the ones who maximize the allocation of power within the family.

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