

‘Capital Barns’ based on social capital to empowering the poor

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Abstract. The assumption that underlies this research is that there are many applications of empowerment programs for the poor that only focus on economic capital, so their application tends to lead to charity. Through development research with the procedures as follows (1) identifying rural / urban poverty specifications, (2) developing empowerment prototypes in the form of capital barns collected from and for the poor, (3) prototype testing by the experts, (4) revised prototype from expert test results, and (5) limited test to five rural / urban poor people. The results of the study can be concluded that: (1) 'capital barns' based on social capital is feasible to be used to empower the poor, PKH funds recipients, according to material experts, (2) according to users, this 'capital barns' models is feasible to be used to empower the poor who is recipient of PKH funds. Suggestions based on the results of the study are: (1) continued assistance is needed for the implementation of 'capital barns' in order to strengthen the collective spirit in institutions, (2) rural / urban governments, in this case village heads to be able to always motivate PKH fund recipients to understand the value of togetherness, be able to build groups, and encourage them to be involved in improving their own abilities, (3) the involvement of social institutions in building and maintaining networks for various accesses to the poor is still needed.

Keywords: capital barns, social capital, empowerment, and the poor.

I. INTRODUCTION

Research on social capital has been extensively studied by Hanifan (1916) [1], Bourdieu (1986) [2], Coleman (1990) [3], Ostrom (1992) [4], Putnam (1993) [5], Fukuyama (1995) [6], Portes (1996) [7], Woolcock (1998) [8], Baker (2000) [9], Lin (2001) [10], Saegert (2001) [11], Storberg (2002) [12]. Research in Indonesia began with Geert (1963) [13], Lawang (2002) [14], Ibrahim (2002) [15], Ratnaningsih (2004) [16], Singgih (2004) [17], Abidin (2008) [18], Lubis (2009) [19], and Wahyudi (2013) [20]. The

development of social capital research in Indonesia is conducted by reviewing Woolcock's thinking about *bonding*, *bridging*, and *linking*. The results of the study showed that the three social capital can well develop if there is a commitment of social capital [20]. Based on the results of this latest research, in another perspective, it is used to build social capital in the form of "capital barn". The perspective of this research enters the realm of development sociology which in its study involves various matters related to legal norms, policy discretion and real government programs as an effort to provide quality opportunities for developing social capital which in the end to develop the nation as a whole. This perspective is clearly different from the economic perspective which puts economic capital as the foundation of development achievement or better known as financial capital. Economic capital, in principle, rests on a certain amount of capital that can be used to exchange for facilities or goods. These facilities can be in the form of factories, machinery, office equipment, vehicles as production tools that can control economic life. Economic capital can also be in the form of money saved for the future benefit, so it can be in the form of investment savings. The concept of economic development is far more easily understood by all parties because the real object is goods that are easily spent in everyday life with definite standard sizes. [21]

Assessment of social capital related to poverty comes from Saegert [11] who states that the most important thing in developing social capital is answering the key questions of who builds social capital in the poor and what are the incentives in building social capital and for whom social capital is built. According to the concept developed by Saegert, social capital is not a substitute for economic resources or political power, but social capital is a key source of community economic development because it can increase development assets.

The examples of social capital's roles in overcoming social problems in Indonesia can be given as follows; *first*, the case of Educational Development in Manggarai - West Flores in the early 20th century.

In this case there are three social capital that can be identified, namely *mutual cooperation* on the social structure of the Manggarai kinship, *work spirit*, *encouragement* and *commitment to the duties and obligations* that are attached to morality of the educational organization managed by the Catholic mission, a *belief* anchored in western values. It is clear from that case that without social capital, education in Manggarai at that time could not run at all. Manggarai's objective macro social structure (Lawang, 2009) [14] is the root and foundation that enables mutual cooperation to be deliberately built to achieve a certain goal collectively. Also without a Catholic mission, educational facilities cannot be provided which are partly built from local potential. Trust given by the Manggarai educational organization that is managed by the Catholic mission is very important, incidentally under European management education. *Second*, *Seka* in Bali, as described by Clifford Geertz (1963) [13], there are *sekabanjar*, *sekapura*, *seka gamelan*, *seka irrigation* (which is famous for its *subak*) and other *seka*, which were formed because of the needs in society. *Seka*, according to Geertz is a working group which in terms of membership can be permanent, but can also be temporary. *Sekabanjar*, *sekapura* and *seka irrigation* are examples of the permanent. So, there are basic needs that are met by mutual cooperation by all members of the relevant *seka*. Temple maintenance involving cleaning is coordinated on a relatively fixed schedule. Similarly, *bale banjar* cleaning and maintenance, irrigation network maintenance has been arranged in an irrigation management system with a permanent *subak* system. Once there is a problem that destroys temples, *banjar*, irrigation, they immediately activate the existing organization. People or members may be different, but the organization still has the same structure and division. While temporary *Sekais* when community members have the same needs, then they form a work organization to meet those needs. Geertz gives an example *seka* art as an example of temporary *seka*. There was a need for a performance and then they gathered and worked together to fulfill all the equipment needed for the performance. As soon as the performance is over, the *seka* broke up. *Third*, the *LubukLarangan* (river protected area) in South Tapanuli district, which is managed by a local community. Over the past 15 years, a number of villages in South Tapanuli district have developed a new form of treatment and status determination for the portion of the river that passes through the villages. The locals call it the *LubukLarangan* (river protected area). Data from the South Tapanuli Tk II Fisheries Service in 1994 showed that the number of *LubukLarangan* locations was in 60 villages spread over seven sub-districts, and in 1997 it increased to 71 locations in nine sub-districts. The treatment and establishment of a new status as *LubukLarangan* was carried out by residents in these villages as an effort to raise funds that can be used for developing the village. It is interesting to know about how the process of

managing the *LubukLarangan* continue thus far. Then the answer is lies in the ability of villagers to manage and utilize the social capital between them, which can be seen as: 1) the ability to knit institutions as a reference for collective action, 2) the existence of equal participation, and 3) the growth of mutual trust in the process of managing *LubukLarangan*. Fascinatingly, the interference of local government in this matter is very minimal. The involvement of the government is only in the form of giving permits as a formal legality requirement for the location of the *LubukLarangan*; and the involvement of security forces (if requested) to resolve conflicts that arise in the management process (Lubis, 2009) [19].

These three examples of assessing the role of social capital in empowerment the society can be an inspiration to develop a model to empowering the poor. Through this research, the development of a model to empowering the poor is in the form of a capital barn. The problems examined for the first phase of the research are; (1) How is the feasibility according to the material expert about the development of 'capital barn' based on social capital to empowering the poor?, (2) How is the feasibility according to the users about the 'capital barn' based on social capital to empowering the poor?

The problem of poverty in Indonesia is not an issue that people cannot eat, do not have a home, and so on, but it was about low confidence, low ethos works, limited networking and according to Woolcock known as a weak *bonding*, *bridging* and *linking* which can be categorized as social poverty (Wahyudi, 2013) [20].

Based on statistics in 2013 the number of poor people in Indonesia is still quite high. With total percentage of 17.4%, it can be categorized as a high number of poverty after the condition of the developing nation entered to the reform order. Efforts to reduce the poverty line still be done by the government. The efforts to reduce the poverty is very volatile, it determined by the government's potential to maintain the stability of food price. Until March 2019, poverty conditions in Indonesia as reported by Indonesian CNN macro-economic news (Monday, July 2019) is 25.14 million people with a percentage of 9.4%. [22].

Poverty is an unpleasant social problem and must be handled immediately. High poverty rate after the launch of the poverty reduction program shows that the government's efforts to reduce poverty are still far from success. The government has determined to reduce the percentage of poverty in 2020 become under 9%. This indication can be traced from the historical experience of poverty reduction efforts then it categorized in two important things. First, the tendency of government programs in poverty reduction uses more social assistance flushing patterns. This can be seen in March 2019, the social assistance reached 36.97 trillion so that the increase from 2018 reached 106.62%. So when it more depth examined, the 9.4% percentage of reduction in poverty in Indonesia shows

pseudo-success. This means that when the government stops social assistance, the poverty rate will be higher. Thus, the government must look for other patterns of poverty reduction such as empowerment patterns that will eliminate people's dependence on social assistance programs in the long term. Second, the government programs on poverty reduction are not based on in-depth studies of the causes. The effect is incorrect targeting of handling poverty. Like a sick person, only the general symptoms are known then the doctor gives general medicines. However, this analogue is not always right, but it shows the real conditions of poverty in Indonesia. Poverty should be explored locally, so the prevention will involve social capital or the local potential where poverty occurs. That's why the prevention program will vary according to the potential of each region.

Pro and contra issues that occur in the community related to handle the poverty in Indonesia is located in the development strategy adopted by the government. If development is oriented on economic capital, the focus of development is only in the form of economic growth figures as a measure of success. Meanwhile, if development is oriented towards social capital, some values such as *trust*, which are the core of social capital, is highly valued in the development process to reduce poverty.

Building social capital in the community is not easy because they have to build mechanisms that encourage individuals to the organization in their community. The level of difficulty is higher, especially people with *individualism*, and there is no guarantee that social capital attracts a wider community. A research is needed to answer the role of social capital in the economic development of the poor which must be included in a focus on different institutions (such as individual entrepreneurs in strong relationships with the poor) with the influence of social capital on weak communities.

II. METHODS

This study was designed in 2 stages; First, (1) identifying rural poverty specifications, (2) developing a prototype of empowerment in the form of capital barns collected from and for the poor with these specifications: (a) the poor are accompanied by the research team to collect funds as much as they can, (b) the management team is formed with an agreement acclamation for mutual trust to become social capital, (c) formulating rules for the use of funds from and for members, (d) agreeing to sanction violations of member obligations, (3) prototype testing by experts in empowering the rural / urban poor, (4) revision prototype expert test results, (5) the test is limited to 1-2 rural / urban poor groups and this first phase was completed in the 2018 budget. Second, (1) identification of weaknesses in the application of

prototypes and revisions, (2) extensive trials to obtain the certainty / validity of prototypes, (3) design the prototypes into models.

The subject of this research is the rural / urban poor who are active in existing empowerment programs such as PNPM or women's empowerment programs through the PKK in Mojosari sub-district, Mojokerto district. Data collection used is questionnaire to measure the achievement of the prototype developed, and conduct interviews with the poor to get utility data of the empowerment model implementation that produced in this study. Data analysis used is a flow analysis means that the data found in a flow is processed until it finds conclusions. Indicators of achievement of the results of this study are (1) the prototype planned to be accepted by community empowerment experts, (2) the developed model can be implemented easily by the poor in rural / urban areas.

III. RESULTS AND DISCUSSIONS

The results of this study are in the form of a prototype about empowering the poor in the form of a 'capital barn' based on social capital. The target of its achievement in the first phase in 2018 is the prototype feasibility about 'capital barns' based on social capital that applied to empower the poor in rural / urban areas.

The procedure for the achievement of the research result of this first phase refers to the empowerment strategy produced by Suharto (1997) in an effort to empower the community. Suharto gave 5 recipes to achieve the empowerment of the poor. These five things can be summarized as follows; (1) Enthusiasm or encouragement or motivation. This means that every element of the family must have the nature of togetherness, interrelation and authority respectively. So that family members who enter the arena as citizens will be aware of their rights. The implementation is each family must be able to live in groups with other families around it. This will be able to form mutually reinforcing institutional mechanisms, so the family will be able to organize and carry out community development activities in the village. Then these groups are encouraged or motivated to be involved in income-raising activities using their own resources and abilities. (2) Awareness that must be improved and existing capabilities need to be continuously trained. This means that every awareness needs to be sought as early as possible through educational activities at the primary level, personal and environmental health, immunization, and sanitation.

Skills that need to be trained through vocational skills improvement are participatory ways. Thus local potential gained through experience can be integrated with outside knowledge. Training activities that have been done will be a solution for the poor to get their own lives or help them improve their skills to compete in the working world. (3) Ability to manage themselves. Means that each individual in the group must be able to determine their own leaders and be able to organize their own activities. The manifestation of self-management capabilities such as, conducting deliberations, carrying out an inventory of data by recording and producing reports, utilizing savings and a number of credits, making major changes to the conflict, and being able to manage community ownership. (4) Ability to mobilize potential resources. It means that the potential to encourage individuals for their common interest is needed. This kind of activity require special methods to collect voluntary contributions by enlarging capital as social capital. The idea of gathering individual resources is based on the perspective that each individual has substantial potential. As a result, efforts to gather, localize, and exploit potential need to be carried out with great care and accuracy by taking full account of the opportunities of all members. If this can be done, it will guarantee sustainable ownership and management. (5) Ability to build and develop networks. This means that potential community members must be able to direct development and be able to improve and maintain social networks in the surrounding environment. The development of this network is very urgent to encourage the growth of various channels so that the poor can rise from powerlessness.

These five important aspects are used to measure the feasibility of 'capital barn' products, both carried out by empowerment experts, as well as model users, namely the rural / urban poor. The product development of 'capital barns' is a series of activities that must be carried out by the user with chronological procedures and phasing in sequence. The phasing model of 'capital barns' is as follows.

A. Capital Barn Conceptual

The conceptual of capital barn is inspired by the concept of resource mobilization which is 5 important things in empowering the poor. The concept of resource mobilization provides a review that in order to mobilize the potential of the community, the ability to develop methods or strategy to gather individual potentials through public savings and free contributions with a view to building social capital is still needed.

This idea arises based on the fact that everyone has potential as a resource.

B. The Procedure of Implementing the 'Capital Barn' Based on Social Capital

The 'capital barn' operational steps are as follows: (1) Funds Collection; The principle of raising funds is voluntary, meaning that the amount of initial funding is not determined, purely from the collection of the awareness of each member of the rural / urban poor who are collected in the recipient of the Family Hope Program (PKH) funds. The initial idea in this study was that the research team assisted the poor when building a commitment to develop a capital barn. Fund raising, beginning with socialization to provide an understanding to the community recipients of PKH funds about the importance of building social capital through capital barns with an awareness of moral responsibility that they are an inseparable part of other societies. So self-anticipation of any collective impacts will be quickly handled if the community has a savings fund through the capital barn. (2) Arrange the Management Team; the formation of the basic principle management team used is self-sacrifice for the collective interest, meaning that in this case the poor are the recipients of PKH funds. The form of willingness is the concern to own, support, and raise the "capital barn" so it will be a great hope to help its members in difficult times. The management is chosen from the members, then the members will guarantee the confidence of the management team. Trust given by members must be upheld for the benefit of the institution. (3) Drafting the Rules; Rules that are drafted must be able to guarantee the certainty of its members, not necessarily rigid but have a strong inner bond to raise collective agreements. Therefore the rules that are made together must come from their own ideas, and must respect one another. The whole agreement must be prepared as their Standard Operating Procedure (SOP). (4) Sanction Agreement; Sanctions in the principle of social capital are the most severe moral sanctions, therefore 'capital barn' will be sounded out for moral sanctions. Starting from the development that is now being run by the government, the KPK is increasingly moving to threaten with legal sanctions, and corruption is rampant. On the basis of social capital that is jointly developed by the PKH funds recipient are expected to be able to agree on what sanctions are suitable for a self-developed collective model.

Implementation Scheme of the 'Capital Barns' Based on Social Capital

The description of the 'capital barns' can be illustrated in the scheme as follows.



Figure 1. Social Capital Based Capital Reservoir Scheme

This development product has been tested for the feasibility by a lecturer who has capabilities, namely Dr. Sri Setyolriani, SE, M.Sc. Economics lecturer, Faculty of Economics, Unesa. Efforts to strengthen the feasibility were also tested on the users, they are the community who received PKH funds in Sarirejo village, Mojosari sub-district, Mojokerto district. This limited trial was conducted on 5 PKH recipients who were active in the management of e-warung. The results of limited trials show that the 'capital barn' can be easily understood and feasible to be implemented as effort to empower the poor.

Research on the development of 'capital barns' shows that the results are feasible to be used to empower poor people in rural / urban areas, and also according to users, the poor society in Sarirejo, Mojosari, Mojokerto. At the level of implementation of the 'capital barn', it still need to be accompanied in order to foster public awareness to tie themselves to groups with *trust*. Building social capital must have patience, perseverance, diligence, and seriousness to always be in the environment of poor people's lives. This is consistent with the results of evaluations of the implementation of government policies related to poverty reduction that are still in tatters. Some poverty reduction programs have been implemented by the government including: Social Safety Net (JPS) and Special Market Operations (OPK). Forms of criticism of government programs related to poverty reduction that have existed, including: (1) Criticism of the implementation of the JPS (Social Safety Net) program is one of the poverty reduction programs initiated by the government during the economic crisis. This program, which still exists today, has changed in shape from Special Market Operations (OPK), which is food assistance that has

been operational since 1998, then in 2001, it changed to Rice for Poor Families (Raskin). In 2012, it became a Family of Hope Program (PKH) which has now been collaborated with e-warung. The result of criticism is the lack of targeting the assistance distribution and it is not on target. (2) Direct Cash Assistance (BLT) / Direct Cash Subsidy (SLT) Program, is a government program that aims to compensate for the increase in fuel prices since 2005. Critics of this program are firmly stated that the program is ineffective, does not independent the community, and will foster community dependence on the helping hand of the government. With this condition, the government will be trapped in hampering the nation's macro-economic growth. (3) Smallholder Farmer Income Development Program (P4K), this program is a collaboration between the Ministry of Agriculture and BRI, which began in 1979-2005. The criticism was that there was a false success because the one who rolled out and managed the funds was the Field Extension Officer (PPL) who was given a government honorarium. So that the task and responsibility to oversee this program is always present, but after PPL there is no honor, there is a saying 'chicken loses its parent' meaning that the sustainability of the program will fail when its companions no longer play a role. (4) Sub-district Development Program (PPK) and the Urban Poverty Reduction Program (P2KP), are community-based poverty reduction programs that are a collaboration between the Indonesian Government and the World Bank and were launched in the period 1998-1999 with the aim to improve and develop urban facilities (P2KP) and rural areas (PPK). The criticism that occurred in this program was that community participation did not occur naturally, weakened the potential of local institutions, and the lack of flexibility in the village to determine its own problems. The real condition of the potential facilitator is very regulating community needs. (5) National Community Empowerment Program (PNPM) is a national program in the form of a policy framework as a basis and reference for the implementation of poverty reduction programs based on community empowerment. Critics of this program are the assistance process through facilitators who tend to attend meetings to become an objective form of accountability, and not a means to an end. What happens at the level of PNPM program implementation is also tragic with the demands of a continuous community meeting, that's why the real purpose of empowerment is only formality.

Similarly, the results of research conducted by the UGM Center for Population and Policy Studies (PSKK) in 12 districts / cities in 2007 explained that

the P2KP program that changed to PNPM still used the project logic. So the base process is converted into a destination. The process is not used to achieve the goal but the process becomes the goal. The real conditions occur that the facilitators tend to oversee the process of meeting and reporting so the assistance process continues.

The results of evaluations and criticisms from various assessment institutions show that project-based government programs always fail to build communities to be empowered for themselves. Therefore, to revive the spirit and ethos of individuals who can revive social capital is very necessary. The social capital that still exists in the community should inspire the government to change the perspective of development from the basis of economic capital to social capital. Government programs in the form of social assistance will tend to turn off social capital, so that the concern to struggle for self-management towards community self-sufficiency is weakening.

IV. CONCLUSION

The results of the study can be concluded that: (1) 'capital barns' based on social capital is feasible to be used to empower the poor, PKH funds recipients, according to material experts, (2) according to users, this 'capital barns' models is feasible to be used to empower the poor who is recipient of PKH funds. The suggestions that can be given are: (1) continued assistance is needed for the implementation of 'capital barns' in order to strengthen the collective spirit in institutions, (2) rural / urban governments, in this case village heads to be able to always motivate PKH fund recipients to understand the value of togetherness, be able to build groups, and encourage them to be involved in improving their own abilities, (3) the involvement of social institutions in building and maintaining networks for various accesses to the poor is still needed.

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