



The Role of Social Capital in the Creative Economy

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Abstract. This study aims to determine the role of social capital in developing students' creative economy in learning social sciences. This study used descriptive research. The subjects were students of SMP Negeri (State Junior High School) 3 Lembang, grade 9, which consisted of 12 groups, and each group consisted of 4 people. The study results show that social capital positively and significantly affects students' creative economy. Groups with social networks could sell products very high, selling 80–90%, compared to groups that do not have social networks. Groups that have confidence in their members could sell products ranging from 60% to 90%. Thus, the role of social capital in social network indicators and trust is vital in product sales. Old products that are not innovative in shape, taste, and colors, such as colenak, grilled sticky rice, and getuk lindri, are difficult to sell, while products with creativity are sold more than 50%.

Keywords: Social capital · Creative Economy · Social sciences

1 Introduction

The global financial crisis that occurred in 2008 is still ongoing and has shown signs of severe disruption to the health of the global economy and financial markets. To overcome the problems above, Indonesia needs to develop a creative economy, especially in the current crisis conditions. A creative economy is a concept in the new economic era that prioritizes information and creativity by relying on ideas and knowledge from human resources as a factor of production. In economic studies, it is known that there are four factors of production, namely natural resources, human resources, and orientation or management [1]. The creative economy is driven by the capitalization of creativity and motivation in producing products and services with high creative content towards the inputs and outputs of economic activity [2]. The resilience of the creative economy has proven to be the most appropriate concept when large companies go out of business during the financial crisis in Indonesia. Even the creative economy can improve the national economic order [3].

The creative economy focuses more on creating goods and services with the content of knowledge and expertise, as well as talents and dominant products. One of the

goals of social studies learning is that students can solve problems in themselves, their families, communities, and the nation and the state. Developing a creative economy in the school environment is one of the solutions to the global economic crisis so that the younger generation can overcome the nation's financial crisis. To develop the creative economy in the school environment, concepts such as market, production, consumption, and distribution are applied in the classroom and everyday life. Classes can be used as social studies laboratories, namely as a place to practice market activities, where buying and selling activities occur, and where students can act as producers, consumers, and distributors. In developing creative economics in schools, teachers must direct students to make innovative products that take advantage of the region's potential so that social studies learning become more meaningful and fun. Thus, students remember the concepts longer. In addition, students are expected to have the provision to face economic problems in the future.

This learning is very contextual because in making products, students look for materials around them and ingredients produced by Lembang farmers to take advantage of local advantages in the Lembang area. For example, Lembang farm products used are: 1) Kabuca sponge, with pumpkin as basic ingredients; 2) Lembang milk tofu, with Lembang dairies as basic ingredients; 3) Camaro, Colenak, and Carmel cassava chips made from cassava; 4) Grilled sticky rice made from glutinous rice, etc. This learning is expected to build the entrepreneurial spirit of students. To form entrepreneurial characteristics in students, there are several steps to success, namely: 1) do what students like; 2) start a business while attending school; 3) get customers; 4) plan the business in the diary; 6) do research and observation; 7) involve people who are already professionals; 8) for capital approach potential investors; and 9) be professional from an early age [4]. Students with an entrepreneurial spirit dare to take risks, meaning they are mentally independent and dare to start a business without being overwhelmed by fear or anxiety, even in uncertain conditions. Entrepreneurial activities can be carried out alone or in groups. An entrepreneur, in his mind, is always trying to find, take advantage of, and create business opportunities that can provide benefits. To overcome the difficulty of getting a job, students must be able to create jobs. The existence of a paradigm shift in thinking creates a new passion in the economy. Considering that entrepreneurship provides an extraordinary multiplier effect, the values embraced by entrepreneurs must be instilled in students from an early age so that they can begin to become entrepreneurs when they graduate from school.

To develop the creative economy in the student environment, the role of student social capital is critical. As the main component of assets or non-physical capital in developing the creative economy, social capital can also be improved through its main pillars, namely carrying out social obligations, trust, networks, and norms. These four pillars can be formed and mutually strengthened between actors involved in developing the creative economy [5].

The application of the four pillars is that students carry out their obligations to make creative products in groups and collaborate. In groups, each other gives each other trust, both in the ability to make products, market goods, and trust in colleagues to buy materials to create innovative products. Each student must be able to build relationships both within the group and outside the group (outside the class) to be able to market their

products. To apply social norms, the product must be made by the students who work in groups. To find out whether the product is made by themselves or bought from outside, students are asked to make a presentation from the start, the type of materials needed, the price of the basic materials, and the process of its manufacture.

1.1 Theoretical Review

a Social Capital

Social capital is a set of informal values or norms shared among group members that allow cooperation between them [6]. Social capital acts as a glue that binds everyone in society [7]. Social capital arises from the interaction in society with a long process. However, interactions occur for various reasons in cooperating and are influenced by the desire in multiple ways to achieve common goals that are different from their purposes [7].

Social capital is a close relationship between individuals that creates various kinds of social obligations (obligations and expectations), creates a climate of mutual trust, carries information channels, and sets social norms and sanctions for its members. Without a set of standards that are agreed upon and obeyed by all community members, an anomaly will arise where everyone tends to act according to their own will without feeling any ties to others. In order for the relationship between humans in society to be carried out as expected, then the norms of society are formulated. At first, these norms were formed by accident. But over time, these norms are made consciously. The central study of social capital can be summarized in two words: “the importance of relationships”. To achieve previously challenging goals, humans can collaborate and build relationships through social networks to the extent that these networks form a resource. These resources can be seen as the formation of a type of capital.

Social capital has three critical elements: norms, networks, and trust. Generally, norms that are formed spontaneously tend to be informal in that they are not written down and announced [6]. In addition to extending social norms, ranging from hierarchical social norms to spontaneous norms, we can also develop other norms resulting from rational choice, as well as hereditary and irrational norms. Social networks can be formed because of the values and norms that are firmly held together, which then underlies the birth of cooperation. However, social cooperation does not just appear out of nowhere. This can be raised by creating a shared identity, moral exchange, and repetition of interaction. Trust is a significant side effect of cooperative social norms that give rise to social capital. Trust is exchanged based on shared norms for the benefit of the people [2]. Trust is considered the central element in the process of social capital. Social capital really affects social inclusion, individual quality of life, personal capacity building, economic growth, democratic governance, and social cohesion at the macro level [8].

The essence of the study of student social capital lies in the ability of students in a group to work together to build a network to achieve common goals. This cooperation is characterized by a reciprocal and mutually beneficial inter-relationship pattern and is

built on trust, supported by positive and strong social norms and values. This strength will be maximized if it is supported by a proactive spirit to build relationships.

Creative Economy

The United Nations Conference on Trade and Development (UNCTAD) defines the Creative Economy as a cycle of production of goods and services that uses creativity and intellectual capital as its main inputs [9]. This creative economy is directly related to industry. So the creative industry is an industry that comes from individual creativity, skills, and talents that have the potential to create wealth and jobs through the exploitation and generation of intellectual property and individual creativity [9]. The creative industry depends on talent, skills, and creativity which are fundamental elements for an individual. These elements could increase welfare by offering intellectual creations. This creative industry comes from the utilization of creative skills and individual talent for creating well-being and fieldwork through creativity [10].

The types of Creative Economy are based on industry creativity: industry culinary, advertising, architecture, design, market goods arts, crafts, music, fashion, games interactive, videos, film and photography, computer service and software device, research and development, publishing and printing, art show, television and radio, apps and games developer.

Creative industry plays a vital role in the economy, nationally and globally, because it contributes to aspects of life both economically and non-economically. Economically, creative industries play a role in the business climate, achievement of fieldwork, growth innovation and creativity, renewable power source, and contribute positively to national gross income (Gross National Productivity-GNP). It can be seen from several economic and non-economic indicators, including the impact on social aspects, culture preservation, and level of education [5].

The creative economy indicators are: [11].

- a Production: Describe the connection between the number of inputs and outputs (in the form of goods or services) which could be generated in one time period.
- b Market and Marketing: A market is a place where buyers and sellers gather to buy and sell goods, and marketing is an organizational function and series of processes to create, communicate, and provide value to customers and to manage connection with a customer through a method that is profitable organization and its stakeholders [12].
- c Management and Finance: Management finance is a merging of knowledge and art that discuss, study, and analyze how to manage finance by using all company resources to raise funds, manage funds, and share funds intending to be able to provide profit or prosperity for shareholders and sustainability (continuity) effort for the company [13].
- d Policy Government: The government has the power to make and determine the law and constitution in the region. The government is referred to as the central government and relevant local governments with a creative development economy, good substance, and administrative linkages [5].
- e Partnership Effort: partnership is a cooperation effort along with development by considering the principles of mutual need, mutually reinforcing, and mutually beneficial [14].

2 Research Methods

This study employed a quantitative approach with a descriptive method. Descriptive research is a form of research that aims to describe or describe existing phenomena, both natural phenomena and human engineering [15]. In descriptive research, researchers do not manipulate or give specific treatments to variables, but all activities, circumstances, events, aspects, components, or variables run as they are. Descriptive research does not stop at collecting data, organizing, analyzing, and drawing interpretations and conclusions but continues with comparisons, looking for similarities and causal relationships in various ways. The discovery of meaning is the focus of the whole process. The subjects were students of SMP Negeri (State Junior High School) 3 Lembang, grade 9, which consisted of 12 groups, and each group consisted of 4 people.

3 Results and Discussion

The product sold highest was Cireng, with various flavors sold by group 10. This is supported by a group that was creative in producing products with selling power. In addition, the group members had high social capital and carried out social obligations, gave each other trust, had good social networks, and implemented social norms.

The lowest selling products are Colenak from group 5 and Getuk Lindri from group 6. This is because the two products lack innovation and creativity. Group members did not trust each other and lacked social networks making it difficult to communicate and market the product. Products sold by the group shown by Fig. 1 as follow.

The results of observations and interviews conducted in each group consisting of 4 people are as follows:

a. Group 1

Group 1 makes Kabuca sponge products made from pumpkin. Pumpkin is the result of agriculture in the Lembang community. Bolu kabuca is an innovative product in terms of shape, color, and taste. The pumpkin with an original taste can be turned into Bolu Kabuca, which tastes very good. During the presentation, it can be seen that the product

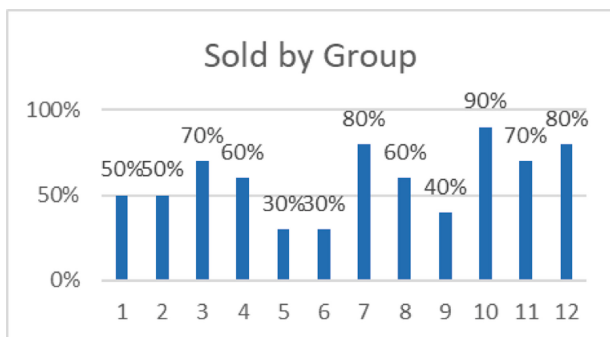


Fig. 1. Products sold by the group.

was made by group 1, but the ability to convey it is less communicative. These four participants have a rather shy character. Group 1 could calculate the authorized capital and determine the selling price by considering the profits obtained. Although this Bolu Kabuca has selling power, group 1 only managed to sell 50%, so the money they got was just a return on investment, not having a significant profit.

b. Group 2

Group 2 made avocado flavored Lembang milk sponge made from milk and avocado. Cow's milk is the result of the Lembang community's farm, and avocado is the result of the Lembang community's plantation. The avocado-flavored Lembang milk sponge cake made by group 2 is innovative in terms of shape, color, and taste. In the market, very few sponge cakes have avocado flavor. When making a presentation, only three people seemed active. One participant in group 2 did not participate in making the product, so group 2 was not perfect in carrying out social obligations. It could be seen that three people in group 2 made the product. These four participants have a less communicative character. Group 2 could calculate authorized capital and determine the selling price by considering the profits.

c. Group 3

Group 3 made spicy chicken stuffed tofu from milk, soybeans, and chicken. The chicken and cow's milk results from livestock from the Lembang community. Tofu stuffed with spicy chicken made by group 3 is very popular among the students. During the presentation, this group could explain how to make it and be able to calculate the authorized capital and selling price by taking into account profits.

d. Group 4

Group 4 made Caramel Cassava Chips, which are made from cassava which is the agricultural product of the Lembang community. Caramel Cassava Chips were included in innovative products because they had changed the original form of cassava into a more attractive shape and changed the taste from the original condition. The seller can make quite a profit. The group members trusted each other in creating products and buying materials, but this group lacked a social network. They only sold products to their friends in class, so the products sold are only 60%. The results of the sale have been able to cover the capital that has been issued, but the profits obtained are less significant.

e. Group 5

Group 5 made colenak, made from cassava from Lembang farmers. Colenak is a legendary food from the city of Lembang. From the shape and taste of this product, it lacked creativity. Colenak food is less attractive to teenagers in junior high school. During the presentation, group 5 showed that the colenak product was made by the group. However, this group lacked trust among its members, both in the manufacture of products and in purchasing the materials to be used, so there are no innovations in making products. Group 5 also did not have an excellent social network since the product only sold 30%, so the product being marketed had no profit.

f. Group 6

Group 6 made getuk lindri made from cassava. Cassava is the agricultural product of the Lembang community. During the presentation, group 6 could prove that the product was their work. Group 6 could explain the manufacturing process well. Group 6 could also calculate the authorized capital, selling price, and profit if all the products are sold. This group lacked creativity in form and taste, resulting in only 30% sold, so this group has no profit. This group lacks trust among group members, so it is challenging to produce innovative getuk lindri products, this group also lacks a good social network, so it is not easy to offer products in the school environment.

g. Group 7

Group 7 made spicy comro filled with chicken from cassava as the basic ingredient. Cassava is the agricultural product of Lembang farmers. Comro's spicy chicken stuffed product has an innovative value, originally only containing oncom or sugar. The spicy comro filled with chicken tasted delicious, so teenagers and junior high school children favored it. During the presentation, group 7 was able to explain the process of making spicy comro filled with chicken, able to calculate the authorized capital, selling price, and profit if all were sold. The spicy comro filled with chicken has a selling power value, meaning that this product is worth selling.

Group 8 makes Serabi Aneka Rasa, which is an innovative product that is experiencing innovation. Serabi Aneka Rasa has the flavors of chicken, sausage, egg, oncom, corned beef, and chocolate cheese. This innovation makes this product has high selling power. However, it turns out that only 60% of the products sold are because this group lacked a social network. Therefore, Serabi Aneka Rasa products were difficult to sell, even though the value of creativity was found. From the results of the presentation, it could be seen that they made this product.

h. Group 9

Group 9 made Ketan Bakar made from glutinous rice. Glutinous rice is the agricultural product of the Lembang community. Ketan Bakar is a traditional Lembang food that does not have Innovative. The shape and taste still have the original flavor. Even though it has marketability, grilled sticky rice is not very popular with today's teenagers. Although this group members carry out social obligations and have social norms, only 40% of the products sold are because group 9 does not have trust between group members, lacks social networks and the products made lack innovation so that they are difficult to market.

i. Group of 10

Group 10 makes Cireng Assorted flavors. This product has a taste of chicken, beef, sausage, oncom, and beef with a savory and spicy taste. This Cireng Assorted flavor product is made from cassava flour as the basic ingredient. Cassava is the agricultural crop of the Lembang community. During the presentation, group 10 could explain the process of making Cireng products, show that Cireng Aneka Rasa products were made by the group, and were able to calculate the authorized capital, selling price, and profit if all the products were sold. This product had innovation and the group had good social networks. They could sell products in the classroom environment, outside the classroom

environment, to the teacher's room and administration room so that this product can be sold at 90%.

j. Group 11

Group 11 made Sweet Potato Pudding from sweet potatoes produced by the Lembang community. Sweet Potato Pudding has a creative value. The color is beautiful and has selling power. However, it lacked trust among its members. However, it had a network with the next class, so it was able to sell 70% of its products.

k. Group 12

Group 12 made egg-rolled sausage. The basic ingredients are eggs produced by Lembang breeders. Egg-rolled Sausage products had creative value. Very popular with teenagers of middle school age. The egg-rolled sausage had several flavors, including onion flavor, spicy taste, and cheese taste have high selling power. During the presentation, group 12 was able to explain the manufacturing process, and was able to calculate the authorized capital, selling price, and profit if all products were sold.

The results of interviews with the groups showed that the Social capital indicators are:

Several groups did not carry out social obligations. These social obligations were making innovative products that are done in groups collaboratively, having trust in each other, being able to sell and buy materials to create innovative products, and selling their products from 60% to 90%. Groups with social networks inside and outside the classroom managed to sell their products 80% to 90%. All groups Implemented social norms, where all products were made by themselves. To find out whether the product is made by themselves or bought from outside, students were asked to explain the type of materials needed, the price of the basic materials, and the manufacturing process.

4 Conclusions

The highest selling product was supported by creative groups in creating products with selling power. Also, group members had high social capital, carried out social obligations, gave each other trust, had good social networks, and implemented social norms. Meanwhile, the lowest sold products showed a lack of innovative products, and the group lacked creativity. Group members did not trust each other and lacked social networks making it difficult to communicate and market the product.

Groups with social networks could sell products very highly, selling 80–90%, compared to groups that do not have social networks. Groups that have confidence in their members could sell products ranging from 60% to 90%. Thus, the role of social capital in social network indicators and trust had a substantial role in product sales. Old products that were not innovative in shape, taste, and colors, such as colenak, grilled sticky rice, and getuk lindri, were difficult to sell, while innovative products were sold by more than 50%.

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