

Does Government Responsibility and Social Capital Empower the Poor in Aceh, Indonesia?

¹*Busra, ²Raja Masbar, ³Agussabti, ⁴Muhammad Nasir

¹Departement of Commerce, State of Polytechnic Lhokseumawe, Indonesia, and
Faculty of Economics and Business, Syiah Kuala University, Indonesia

²Professor in Economics, Faculty of Economics and Business, Syiah Kuala University, Indonesia,

³Faculty of Agriculture, Syiah Kuala University, Indonesia

⁴ Faculty of Economics and Business, Syiah Kuala University, Indonesia

*Corresponding author: busra@pnl.ac.id

Abstract – This study aims to analyze how the government's policy response, that is the government's responsibility to provide infrastructure needed by the community and cash assistance, as well as social capital owned by the poor to increase of community empower of the poor in Aceh. This study used primary data sourced from surveys of poor households with questionnaires and in-depth interviews with 300 respondents in Aceh, Indonesia. Data collection was carried out in three districts that represented three economic growth zones in Aceh. The data collection techniques were carried out by purposive sampling. Data were analyzed by structural equation modelling analysis. Before conducting the test structural models, it is ensured that all constructs have met the test of fit index. Structural model test results found that the construct of social capital, has an influence on improving the empower of the poor in Aceh. While government policy responses have little effect, this indicates that the government's responsibility to empower the poor needs to be directed towards empowerment programs rather than providing cash assistance. All indicators tested had a value indicator above the cut-off, but some indicators had great value. Indicators in the social capital that contribute greatly to improving the empower of the poor were groups and networks, solidarity and communication. While the indicator of cash aids is of little effect on increasing the empower of the poor. The government or policy maker can intervene the indicators that have a major contribution as a strategy to improve the empower of the poor in Aceh.

Keywords—Empowerment; Social capital; poverty, Construct; Indicator; Government responsibility

I. INTRODUCTION

Helplessness that occurs in many countries, including Indonesia, has become a lot of attention, both government and academic, (Sen, 2004); (Alkire and Santos, 2014). The main question is why people helpless although the economy continues to grow, should economic growth will strengthen community empowerment in a country (Daher and Haz, 2011).

Empowerment is a process that is carried out in a planned and continuous manner. It is said that a planned process, empowerment activities must be carried out in a structured and has a clear purpose. Likewise the empowerment process is a process that does not stop at a certain point. The empowerment process is carried out continuously. Community empowerment is one of the benchmarks for the success of development programs. A empowered society is a society that has economic and social capabilities. Empowering meaningful to give power or authority, and to give abilities to or enable. Judging from the meaning of the concept of community empowerment, thus the core of empowerment is development, enabling, strengthening potential or empowering, creating independence, (Tri Winarni, 1998). Dissemination in political and socio-cultural contexts has a different meaning, empowerment includes economic and social independence, the ability to make changes, use the potential and strength from within, the power to fight for rights, the ability to make decisions, free from other party interventions (Narayan, 2002)

Analysis of helplessness has been widely accepted by including social inclusion factors, lack of public goods and vulnerability, (Yanhua and Yong, 2016); (Bourguignon and Chakravarty, 2003). The problem of helpless is not a single factor, but factors that are interrelated. The problem of helplessness is not enough to be solved by a monetary approach. In addition to economic factors, non-economic factors also have a large influence on increasing the number of helpless. (Kamarni, 2012), (Hakim, *et al.*, 2010), (Grootaert *et al.*, 2003) stated that social capital plays a very important role in raising society poverty. Research on social capital has been carried out by previous researchers, such as (Kamarni, 2012); (Pramono, 2012); (Piere *et al.*, 2016); (Prasertiamartati, 2006); (Hakim *et al.*, 2010). Likewise research on the impact of government policies, such as the (Liyana *et al.* 2013); (Minoque, Martin 2008); (Mihai, *et al.*, 2015). However, most of the previous research focused on seeing its relationship with poverty or seeing as a cause of poverty. In this study we will see that from different sides, that is how the relationship between social capital and government policy response to empowerment and not against poverty. Poor people

basically have great potential to develop them self. Increasing community empowerment requires appropriate steps, policies, and touches the basic problem of poverty. The pattern of construction of relationships between various influencing factors needs to be understood in depth to facilitate the settlement of the problem of helplessness (Santoso, 2008).

This research was conducted in Aceh, Indonesia. Aceh is a former area of armed conflict and tsunami disaster in 2014. These two disasters have stub out the local genuine in the Aceh community. Aceh is one of the autonomous provinces with considerable fiscal resources on the one hand, but the poverty rate is quite high on the other. Large fiscal resources have not been able to improve community empowerment. In this study, we tried to deepen factors that can increase empower of the poor by looking at the potential of the poor communities. We tested these factors by using primary data surveying poor households in Aceh, Indonesia.

The rest of this paper is organized as follows. In part 2 will be explain some theories and concepts related to research. Section 3, we will describe the methodology we used in the research. Furthermore, in sections 4 and 5 the research findings and discussion of result and conclusions will be explained respectively.

II. LITERATURE REVIEW

Helplessness today not only is interpreted as an inability to access economic resources, but also socially, social exclusion and inability to access public facilities. This inability is often associated with poverty. Empowerment is always characterized by the ability to understand potential by self, ability to access public facilities, bargaining ability and ability to give opinions.

The poor basically have a great potential to increase of wealth. The autonomy in the form of social capital they have. Social capital can be defined as social norms and relationships that are integrated in the structure of society and enable people to cooperate in acting to achieve their goals, (Grootaert, *et.al* , 2003); (Prasetiarmartati, 2006, June). Social capital is parts of social organizations such as trust, norm and network which can improve community efficiency by facilitating coordinated actions. Good social capital is related to the level of education participation, good health, and involvement in decision making, and avoid criminality, (Putnam, 2001); (Grootaert 1999). Indeed (Wekke *et al*, 2015); (Woolcock, 2002); (Woolcock and Narayan, 2000) placed social capital as one of the strategies of society to get out of helplessness.

The Communities can interact continuously basic in the norms and networks, both formal and informal institutions that can form. This social gathering can be explained in three ways: First, Bonding social capital is a bond with network members who have the same demographic character. Second, bridging social capital, this does not have the same character. The third. Linking social capital that is bonding with member of network that has the authority or a higher social status.

Much literature shows that social capital, which is generally characterized by trust, social relations, and networking is essential for progress, material benefits and welfare. In fact, social capital is an important determinant of empowerment. While, Isham *et al*, cite by (Pramono, 2012) argues that people who are blessed with high social capital are in a better position to overcome the problems of poverty and vulnerability.

Another potential that poor people have to develop is the capacity of the household. Household capacity such as education level, expertise and assets owned are often associated with human capital. (Beach, 2009); (Garavan *et al*2001); (Youndt *et al*, 2004) said that human capital is closely related to knowledge, skills, education, and abilities. While (Rastogi, 2002) describes the concept of human capital as knowledge, competence, attitudes and behaviour embedded in individuals. Romer (2000) in (Kwon, 2009), refers to the perspective of human capital as a source of fundamental economic productivity. Human capital is an investment that people make in themselves to increase their productivity. Some researchers define that human capital is knowledge, skills, competencies and attributes in individuals that facilitate the creation of personal, social and economic well-being with a social perspective (Rodriguez & Loomis, 2007).

Poverty that occurs in many countries is often associated with low levels of education and health, education that is very decisive in the aspects of productivity, even the level of education for society is highly correlated with economic development. The chances of success in low childhood education will affect the chances of success as adults. socially isolated and becoming unemployed, (Mihai, 2015). Furthermore, (Gounder and Xing, 2012), states that education and health have an impact on poverty reduction where education has an impact both on individuals and society, education and health are central to poverty alleviation

The government has carried out many programs to increase empowerment, ranging from cash assistance programs to economic empowerment, but poverty remains high. The government's responsibility to increase empowerment is realized in the provision of infrastructure and economic empowerment. (Bushra and Najwa, 2015); (Trommlerova, *et. al*, (2015) said that empowerment is a variable in improving community empowerment. Likewise with the provision of infrastructure, it is directly related to economic growth and increased empowerment, (Parikh, & Mc Robie, 2012).

Poverty alleviation, economic growth, equity requires a large investment in basic infrastructure. The availability of this infrastructure is very important because it is closely related to economic growth and human resource development, (Parker, *et. al.* 2008). Inequality is not only limited to access to infrastructure services based on income. Access to infrastructure is sometimes determined by gender factors, the gap in infrastructure provision burdens the poor, because it has to spend a lot of time accessing the infrastructure, this has a negative impact on poverty reduction (Floro & Swain, 2013).

The level of empowerment can be caused directly and indirectly from programs implemented by both the government and other institutions. Four parameters of the degree of community empowerment (Suharto, 2006), namely:

1. Level of awareness and desire to power within;
2. The ability level increases the capacity to gain accessibility (power to).
3. Level of ability to face obstacles (power over)
4. Level of ability to build cooperation and solidarity (power with).

Empowerment is the ability to fulfil inner and outer basic needs, such as increasing the quantity and quality of goods consumed, but also increasing the value of ownership, accessibility and participation and participating in community activities. The gap in infrastructure provision burdens the poor, because they have to spend a lot of time to access the infrastructure that has a negative impact on increasing empowerment (Floro & Swain, 2013). Increased empowerment, economic growth, equity requires large investments in basic infrastructure such as major clean water facilities, sanitation, roads, microfinance, cheap transportation and energy networks. The availability of infrastructure is very important because it is closely related to economic growth and human resource development, (Parker, *et. al.* 2008).

III.METHOD

A. Sample

This study uses primary data sourced from a survey of households in Aceh. Data was obtained by distributing questionnaires to respondents and conducting in-depth interviews with key respondents. The number of samples surveyed was 300 poor households. This research was conducted in three districts representing economic growth zones, namely North Aceh, Bener Meriah and Aceh Jaya. In addition, these three districts have more poor people compared to other districts in Aceh. Data collection is done by purposive sampling method.

B. Method of Analysis

Data analysis using Structural equation modelling analysis, because this analysis tool has the ability to measure variables that cannot be directly measured but through the estimation of the indicators. The use of SEM allows researchers to explicitly test the level of consistency of measuring instruments and internal consistency of a research model, which theoretically can determine the structural relationship between latent variables accurately (Jogiyanto, 2011). The research model is:

$$Empowerment = \alpha_1 SosCap + \alpha_2 Gov_resp + \varepsilon \dots \dots \dots (1)$$

Whereas, *Soc Cap* is Social Capital, *Gov_Resp* is the response of government policy and *Empowerment* is Household Empowerment, α_1 , α_2 is the magnitude of the variable coefficient and ε is a error term. Social capital (*SosCap*) is the values and social relationships that are integrated in the structure of society that allows people to cooperate in acting to achieve goals. Social capital is measured using 5 dimensions (Grootaert *et al.* (2003), that is group and network dimensions (X1.1), dimensions of solidarity (X1.2), dimensions of cooperation (X1,3), dimensions of information and communication (X1. 4) as well as the dimensions of social cohesion and inclusion (X1.5), the construct equation model of social capital is:

$$X_{1.1} = \gamma_1 X_1 + e_{1.1}$$

$$X_{1.2} = \gamma_1 X_1 + e_{1.2}$$

$$X_{1.3} = \gamma_1 X_1 + e_{1.3}$$

$$X_{1.4} = \gamma_1 X_1 + e_{1.4}$$

$$X_{1.5} = \gamma_1 X_1 + e_{1.5}$$

Government responsibility (*Gov_Resp*) is a form of government responsibility in improving the empowerment of the poor, which is measured by cash assistance indicators (X2.1) training programs (X2.2), provision of educational facilities (X2.3), health facilities (X2.4) increase in basic assets (X2.5) and production facilities (X .6). The construct relationship of policy responses is:

$$X_{2.1} = \gamma_1 X_2 + e_{2.1}$$

$$X_{2.2} = \gamma_1 X_2 + e_{2.2}$$

$$X_{2.3} = \gamma_1 X_2 + e_{2.3}$$

$$X_{2.4} = \gamma_1 X_2 + e_{2.4}$$

$$X_{2.5} = \gamma_1 X_2 + e_{2.5}$$

$$X_{2.6} = \gamma_1 X_2 + e_{2.6}$$

Household empowerment (Empower) is a condition of people who have the ability to meet the minimum needs of both material and non-material needs. the power of shaving using 5 dimensional indicators, namely: dimensions of increasing knowledge and skills (Y1.1), dimensions of increased accessibility (Y1.2), dimensions of increased participation and cooperation (Y1.3), dimensions of increased consumption (Y1.4) and dimensions increase in assets (Y1.5). The relationship between the construct models of household empowerment is

$$Y_{1.1} = \gamma_1 Y_1 + e_{3.1}$$

$$Y_{1.2} = \gamma_1 Y_1 + e_{3.2}$$

$$Y_{1.3} = \gamma_1 Y_1 + e_{3.3}$$

$$Y_{1.4} = \gamma_1 Y_1 + e_{3.4}$$

$$Y_{1.5} = \gamma_1 Y_1 + e_{3.5}$$

All variables are measured using a likert scale; this is intended for the purpose of comparing the subject score with the normative group. to assess whether the instrument is able to explain the actual conditions, beforehand will be tested for validity and reliability after the instrument is to meet the requirements for validity and reliability, statistical testing of the model is carried out.

IV. FINDINGS AND DISCUSSION

A. Empirical Finding

In this section, the findings from the structural data testing will be explained. Before the structural test must be ascertained the model used has met the index fit criterion. If the model tested does not fit, then modification indices (MI) must be carried out. In modification indices it is recommended to correlate error terms that have a high MI value or eliminate some indicators so that the model is truly fit, (Cline, 2011); (Haryono, 2017). In the structural model above, the model is declared fit after the modification indices process by eliminating several indicators, so that some indicators have been erased from each construct.

The fit index is carried out with several tests, even if only one test that meets the criteria is able to state the model has met the criteria for fit index (Haryono, 2017). In this test all test criteria is fit, so there is no difference between the population covariance matrix and the sample covariance matrix.

TABLE I. THE RESULTS OF THE TEST GOF FOR STRUCTURAL MODEL

<i>Criteria</i>	<i>Results</i>	<i>Cut - off Value</i>	<i>Model Evaluation</i>
CMIN / DF	2,346	≤ 3.00	<i>Fit</i>
RMSEA	0.067	≤ 0.08	<i>Fit</i>
GFI	0.938	≥ 0.90	<i>Fit</i>
AGFI	0.899	≥ 0.90	<i>Fit</i>
TLI	0.912	≥ 0.90	<i>Fit</i>
NFI	0.897	≥ 0.90	<i>Fit</i>

After the model used meets the criteria, then a structural test is performed on the model used. Structural tests to see the contribution of each indicator to the construct as well as the influence of exogenous constructs on endogens. An indicator can explain the construct well if it has a value of 0.5, (Cline, 2011). The test results in model equation 1 above obtained the value of loading the indicators of each indicator as in table II. All of indicators have values above the minimum value (cut off), so that all indicators can explain the diversity of constructs well.

TABLE II. LOADING INDICATOR OF CONSTRUCTS

<i>Variable and Indicator</i>	<i>Loading Indicator</i>	<i>Critical ratio</i>	<i>Prob</i>
Social Capital			
Networks and groups	,648		
Solidarity	,705	8,789	***
Cooperation	,620	8,079	***
Government Responsibility			
Government cash aids	,708		
Training and counselling	,703	9,833	***
Education infrastructure	,648	9,162	***
Production infrastructure	,620	8,850	***
Empowering			
Increased in Knowledge and skill	,594		
Increased in accessibility	,590	8,297	***
Increase in asset ownership	,947	9,616	***

Note. (***) significant at 5 percent

From Table II above can also be seen how the influence of exogenous variables on endogenous variables. This is important to prove the initial hypothesis. Exogenous variables have a significant influence on endogenous variables, these results support the initial hypothesis that exogenous variables have a positive and significant influence on the empower of the poor in Aceh, shown by the probability value $p \leq 0.05$ and the critical ratio ≥ 2 , (Cline, 2011)

TABLE III. THE RELATIONSHIP COEFFICIENT BETWEEN VARIABLES EMPOWER OF THE POOR IN ACEH

<i>Causality</i>	<i>Estimate</i>	<i>Standard error</i>	<i>Critical ratio</i>	<i>P-value</i>	<i>Sign</i>
Social capital --> Empowerment	0.364	0.068	5.370	0.000	***
Government Responsibility --> empowerment	0.057	0.033	1,954	0.079	**

Note: (***) Significant at 1 percent, (**) Significant at 10 percent

B. Implication of the Finding

The value of loading indicator in each construct in Table II can be used as an indicator in determining strategies to improve community empowerment. High loading indicator values indicate a large contribution of these indicators in improving community empowerment. To improve the empower of the poor, the government can intervene through increasing and strengthening networks, strengthening solidarity, strengthening good cooperation in the community and sustainable empowerment programs.

A network that is one of the dimensions that make up social capital allows group members to work together to produce something big. Interaction in groups will result in accumulated knowledge that will run faster through interaction between group members. Such conditions become the strength of the organization, because it can create various innovations. Knowledge and skill possessed by one group will be transmitted more quickly to other group members through social interaction, even fellow group members deliberately to share their knowledge and skill and experience.

Cooperation is one form of social interaction which has a common goal to be achieved. Indicators of cooperation are one of the indicators that make up the construct of social capital, as measured by household involvement in both formal and informal meetings and the willingness of households to provide input and cooperate if there are problems in the community where they are located. Collaboration or collective action characterizes the empowerment of a community in the village. This collective action is often carried out by the community not only in doing work related to the public interest, but also often in personal activities. The activity like a mutual help in completing the work, is one form of cooperation. Households can save costs for the work because they are carried out together. Collaboration built in the community is based on mutual trust or solidarity. Solidarity in the community is shown by the act of helping each other to overcome the problems they face. People who experience financial problems for example, they can borrow money temporarily from neighbours, because it is based on mutual trust.

The findings above are in line with several previous researchers, such as, (Putnam, 1993) shows evidence that economic growth is highly correlated with the presence of social capital. The same thing is mentioned by (Pramono, 2012) that people who are blessed with high social capital (networks) are in a better position to overcome the problems of poverty and vulnerability. Also mentioned by (Hakim, 2010); (Sirven, 2006) which states that social capital plays an important role in poverty alleviation, high social capital, high participation in social activities in society will reduce the risk of vulnerability a household.

The government responsibility is the implementation of government responsibility in the context of poverty reduction that is done by carrying out poverty alleviation programs, such as government assistance and basic infrastructure provision to encourage an increase in the community's economy. Based on Table III above, the construct of government policy response has little effect on empowerment compared to the other two constructs. This small influence is thought to be due to the government's responsibility in the form of cash assistance, only to solve short-term problems. To increase empower of the poor, policy responses should be directed to empowerment programs that aim to increase household capacity such as life skill training

programs, and programs that can generate the income generating (Nzunuri, 2011). The results of this study are supported by the results of research conducted by (Trommlerova *et al.*, 2015). that empowerment programs are very important instruments to get out of poverty. Skill enhancement, economic and gender activities are important variables to improve empowerment, both at the individual level and at the community level.

V. CONCLUSION

This study analyzes the influence of social capital, and the government's responsibility to the level of empowerment of the poor in Aceh. Based on the results of the tests conducted by structural equation modelling (SEM) approach, it was found that all exogenous variables significantly influence the level of empowerment of the poor in Aceh. Thus all constructs contribute to increasing empowerment.

Judging from the constructs of social capital, there are three indicators that provide a relatively greater contribution to improving empowerment, that is networking, cooperation and solidarity. Households that have good networks or are grouped can solve problems, both economically and non-economically, easier than households that do not have networks. Strong solidarity in the community can help poor people solve problems, especially financial problems.

The response of government policy only has a small impact on increasing empowerment. Providing basic infrastructure such as education infrastructure, providing cash assistance has little impact on community empowerment. It is suspected that the provision of cash assistance only resolves the problem temporarily.

The results of this study are in line with several previous studies, such as (Kamarni, 2012); (Hakim, 2010); (Grootaert *et al.*, 2003). They conclude that social capital plays a role in increasing empowerment. Residents with high social capital will reduce the risk of being helpless. (Mihai, 2015); (Gounder and Xing, 2012) states that increasing capacity correlates with economic growth and it is central to increasing empowerment.

This study has several limitations such as the number of variables and indicators in this study is still limited. Even though there are still many variables and indicators that can improve community empowerment. In the future, other researchers can add to the number of variables and indicators so that it can capture factors that can improve empowerment better. next, this study did not use intervention variables. In the future, other researchers can add intervention variables to examine the direct and indirect effects of the variables used in this study on empowerment

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