



International Journal of Current Research and Academic Review

ISSN: 2347-3215 (Online) Volume 6 Number 10 (October-2018)

Journal homepage: <http://www.ijcrar.com>



doi: <https://doi.org/10.20546/ijcrar.2018.610.002>

Social Capital Role on Effectiveness Empowerment of Coastal Community Economics in Term Improving the Welfare of Coastal Communities in East Java Province

Syafwandi*

Faculty of Administrative Sciences, Andalas University, Padang, Indonesia

*Corresponding author

Abstract

Coastal Community Economic Empowerment (PEMP) is one of the government's policies to improve the welfare of coastal communities, most of whom are the poorest people in Indonesia. The PEMP component which is the responsibility of the Indonesian Ministry of Maritime Affairs and Fisheries includes: (a) motorization of the fishing fleet; (b) the use of ice and cold chains; (c) procurement of port infrastructure; (d) environmental rehabilitation; (e) Protocol (f) development of fisheries cooperatives; (g) development of joint business groups, and (h) development of business partnerships. In the socio-economic perspective, internally in the fishing community is characterized by low ownership of productive assets, weak capital resources, low enthusiasm and entrepreneurial ability. The results of the study show that the strong, but low quality social capital of coastal communities is not influenced by economic empowerment programs. Strong social capital is strong Social capital is the result of strong informal figures. For this reason, in implementing empowerment programs, the government must involve more of these informal figures intensively. It is expected that strong social capital will increase its quality, and in turn its effectiveness towards public welfare can be felt more.

Article Info

Accepted: 04 September 2018
Available Online: 20 October 2018

Keywords

Economic empowerment of the indigenous community; Social capital and welfare

Introduction

As understood, in general the fishing community is in a position of limited socio-economic strata so that the problems of capital and the limitations of technology and equipment become obstacles that are considered serious so far. Although business capital factors and the limited technology and equipment are considered as the most complaining factor, structural factors such as the presence of price games by entrepreneurs who are bigger and more capable and the presence of middlemen, limited capital, accessibility to low capital, limited marketing network ; become obstacles that are difficult to solve. In other words, structural factors such as the

absence of opportunities for small fishermen to gain access to these things, including the issue of marketing information, are factors that can cause the underdeveloped business activities of fishermen.

Baulch (2003: 179) states that "in meeting the needs, the fishermen are still dominant in dealing with non-formal institutions such as money release, even though the loan interest is very high". Facing the problems of coastal communities like that, various economic empowerment programs are needed. It is hoped that through the community economic empowerment program that is developed it will be able to improve the welfare of coastal communities.

When compared to other communities, these coastal communities or fisher communities can be classified as the "poorest" social layer (Fathonah *et al.*, 2010). This opinion is strengthened by the World Bank (2002) which states that the poverty headcount index for coastal communities is 0.3214 or 32.14% meaning that 32.14% of poor coastal communities are classified as very poor (World Bank, 2002). Poverty is an urgent nation's problem and requires handling steps and a systematic, integrated and comprehensive approach. These efforts must be aimed at reducing the burden and fulfilling the basic rights of citizens as appropriate to take and develop a dignified life. Poverty is a complex and multidimensional development problem involving economic, social, political and cultural aspects (Witt; 2008: 142). The dynamics of development that occur often leaves the problem of acute poverty not only occurring in urban areas, but especially in rural or coastal areas (Aho and Martin; 2005: 148).

Poverty in Indonesia is a "vicious cycle" series of problems of un-employment, low quality of human resources, and low levels of community welfare. This condition can be illustrated by the still high number of poor people and the number of open unemployment, as well as the still low Indonesian Human Development Index (HDI) compared to the majority of other countries. The HDI (or Human Development Index, HDI) as a measure of the quality of public welfare is a composite indicator of health status as measured by life expectancy, education level measured by adult literacy rates and a combined rate of gross enrollment rates for primary, secondary, and high levels of education. and the level of the population's economy as measured by gross domestic product (GDP) per capita and purchasing power parity. In an integrated development framework, PEMP's success needs to be supported by a basis for empowering social groups and within the framework of social institutions or cultural institutions that live and grow in society.

This is needed so that the implementation of the socio-economic empowerment activities of the coastal community runs effectively with maximum results (Kusnadi, 2002: 101). PEMP has been carried out by the Ministry of Maritime Affairs and Fisheries in coastal communities that have been running around in the last decade, it still has not seen a satisfying effect especially on the welfare of coastal communities for various reasons (such as the relatively low level of coastal community education, and the strong role of informal figures who are more concerned with their own group).

Low levels of education, causing coastal communities to not fully understand the objectives of PEMP. Most community leaders who are still role models, are more concerned with the welfare of their own groups. With a significant percentage of coastal communities in Northern Coastal dan Southern Coastal (39.76%), it has been categorized as one of the lagging regions in Indonesia in recent years.

Explicitly, at first, it appears that social capital has an important role for the success of empowerment for the welfare of the community, implicitly there is a nuance that social capital is expected to develop well as a result of the presence of the empowerment program. Coastal social capital is also influenced by the quality of the role of community leaders who become informal role models, and also influenced by the level of education of the community itself.

Materials and Methods

Description of the study

Research design

The sample was determined based on two main regions, namely: the northern coast and the southern coast in East Java Province. The selected regions for the northern coast are: Banyuwangi, Situbondo, Probolinggo, Gresik, and Tuban Regencies. Whereas for the southern coast are: Kabupaten Jember, Lumajang, Malang, Tulung Agung and Madiun. In each district one village is chosen in the coastal sub-district. In each village 40 fishermen respondents were chosen who live in block of poverty in the village. Thus, the number of respondents = 400 poor fishermen.

Analysis method

The analytical method used in the Structural Equation Model (SEM) with the concept or the model under study can be described as follows:

The structural equation model is Figure 1:

$$Z = \beta_1 X + e_1 \quad Y = \beta_2 X + \beta_3 Z + e_2$$

X_1 = the benefits of the coastal shop

X_2 = the benefits of fishing cooperatives

X_3 = business partnership with entrepreneurs

X_4 = the benefits of subsidized diesel fuel.

Z_1 = mutual trust between fishermen

Z_2 = the influence of informal figures

Z₃= help each other among fishermen
 Z₄ = education level
 Y₁ = fulfillment of basic human needs
 Y₂ = health condition
 Y₃ = the ability to send children to school
 Y₄ = ability to mobility for self-employment.

Results and Discussion

The results of questionnaire distribution supported by in-depth interviews of 400 respondents fishermen resulted in respondents' perception scores relating to indicators of the economic empowerment of the community, social capital and welfare.

The data is interval data with a Likert scale of 1 - 5; where 1 = strongly disagree with the statements in the questionnaire, 2 = disagree, 3 = doubt, 4 = agree, and 5 = strongly agree. Estimation of the structural equation model produced with the AMOS Version 22.00 application after the model respecations are:

Structural equation model

Measurement model

X₁ = 0,354 X + e₁
 X₂ = 0,135 X + e₂
 X₃ = 0,236 X + e₃
 X₄ = 0,059 X + e₄
 Z₁ = 0,134 Z + e₅
 Z₂ = 0,337 Z + e₆
 Z₃ = 0,345 Z + e₇
 Z₄ = 0,234 Z + e₈
 Y₁ = 0,435 Y + e₉
 Y₂ = 0,373 Y + e₁₀
 Y₃ = 0,231 Y + e₁₁
 Y₄ = 0,034 Y + e₁₂

Validity test of measurement indicators for X, Z and Y shows that all measurement coefficients have CR> 1.96, thus they prove valid. Reliability indicators of measurement indicators for Z, Z and Y have each of the construct's reliability = 0.756; 0.655 and 0.712, where all three> 0.60. Each variance extracted = 0.621; 0.660 and 0.657. Thus, the measurement indicators of the three variables proved to be valid and reliable (Figure 2).

Structural equation models

Z = 0.135 X + e1..... (1)
 Y = 0.322 X + 0.089 Z + e2..... (2)

Critical Ratio (CR) structural coefficient X in equation (1) = 1,223> 1,965; this indicates that the empowerment program has no significant effect on social capital, CR structural coefficient X in equation (2) = 2.037> 1.965; this indicates that the community empowerment program has real effectiveness even though it is not strong enough for the welfare of the community. CR structural coefficient Z in equation (2) = 2.932> 1.965; this indicates that social capital has a significant effect on the welfare of society even though it is very low. The results of the SEM assumption test prove that there is no violation of the assumptions of normality, outlier and multicollinearity.

Suitability of the model

Model conformity indicators are:

Chi square = 324.34; is a relatively high alue
 Chi square probability = 0.125> 0.05
 Goodness Fit Index (GFI) = 0.945> 0.90
 Adjusted Goodness Fit Index (AGFI) = 0.921> 0.90
 RMSEA = 0.067 <0.08
 CMIN / DF = 1,867 <2.0

These six indexes of model conformity to data show values categorized that do not violate their critical values. Thus, the resulting structural equation model can be declared of good quality.

The effect of economic empowerment for coastal communities on social capital

PEMP has no significant effect on social capital. This indicates that the social capital of coastal communities is strong despite low quality. The influence of informal figures is very strong among poor fishermen. Informal figures of the community are: ulama (because most of people are Moslem), or figures who have capital resources. Mutual trust and mutual assistance among fellow communities is quite strong, but with a low average education level. PEMP is not effective enough to increase social capital; This can be caused by the lack of direct involvement of informal figures in the implementation of empowerment programs. Coastal communities feel more socially and economically dependent on these informal figures. These findings support the opinion of Putnam (2012) which states that strong social capital will not be influenced by any factor from outside the community itself, but rather due to the role of strong and charismatic community leaders in the eyes of society.

Fig.1 Conceptual framework

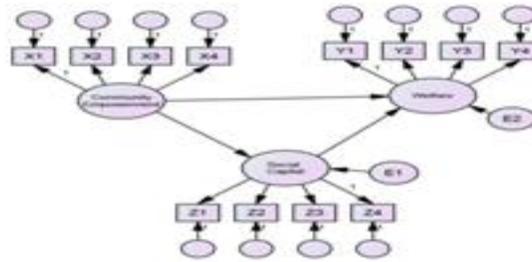
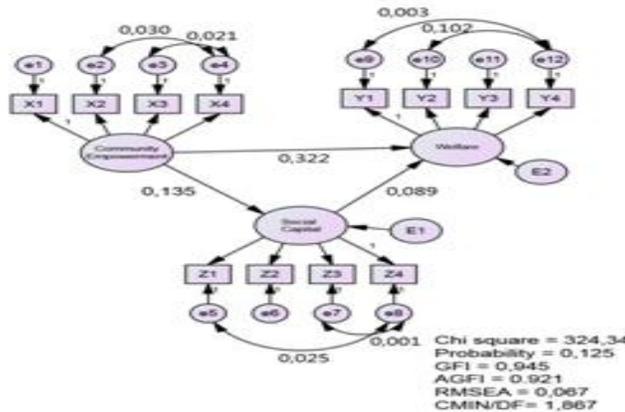


Fig.2 Explicit structural equation model



Effect of economic empowerment on coastal communities on community welfare

PEMP is a government program that physically disbursed money for savings and loan cooperatives for fishermen, making coastal shops and subsidizing diesel fuel for fishermen who go to sea. Even though it is small, it still has an effect on people's welfare because there are economic activities, especially at the time of the initial implementation of the program. But the government's hope to empower the community to be independent in its management is not well achieved. These findings support the opinion of Battha (2006) which states that community empowerment that is carried out intensively and does not need to be sustainable can foster community enthusiasm for independence through entrepreneurship without having to prepare large amounts of capital

Effect of social capital on public welfare

The influence of social capital on people's welfare is also low and even lower than the influence of PEMP itself. This indicates that although social capital is strong but of

poor quality, it is not enough to improve the welfare of coastal communities.

The source of low quality social capital is a low average the level of education and the strong role of informal figures. It is recommended for the government (cq the Ministry of Fisheries and Marine Affairs) to involve informal figures directly or indirectly in implementing PEMP. Fishermen's cooperations and small-scale coastal shops are not enough potential to be developed independently by the community. The provision of subsidized diesel fuel is actually used by people who have capital. Thus, it is necessary to review the technical implementation of PEMP in the field where the target community is. The mentoring team (consultant) should be mobilized from specially trained local communities. This finding is not in accordance with Fukuyama's (2002) opinion which states that social capital is the main factor that determines the emergence of motivation among the community to alleviate itself from a difficult life. However, this finding is consistent with the opinion of Collier (1998) which states that poverty is precisely what shapes the quality of social capital.

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How to cite this article:

Syafwandi. 2018. Social Capital Role on Effectiveness Empowerment of Coastal Community Economics in Term Improving the Welfare of Coastal Communities in East Java Province. *Int.J.Curr.Res.Aca.Rev.* 6(10), 11-15.
doi: <https://doi.org/10.20546/ijcrar.2018.610.002>