

Conference Paper

Social Capital and Community Business Development

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Abstract

This study aims to determine the application of social capital toward community development in a particular business. This research uses a descriptive analytical method by using the in-depth interview of the business owners of Agro Tawon Petik Madu, Agro Tawon Tour guides, and community representatives belonging to the honey breeders group Agro Tawon Wisata Petik Madu. The result of the research shows that social capital influences the development of community business in Agro Tawon Wisata Petik Madu. More specifically, trust has a major effect on the distribution of the wasp seeds that will be used in the production of honey, while a network of honey farmers also makes the development of the business community grow better and can provide promotion without a high cost.

Keywords: social capital, business development, community development

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Received: 29 January 2019

Accepted: 27 February 2019

Published: 24 March 2019

Publishing services provided by
Knowledge E

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Selection and Peer-review under the responsibility of the 3rd ICEEBA Conference Committee.

1. Introduction

Geographically, Lawang District is surrounded by Mount Arjuna and Mount Semeru. This is a special attraction for tourists to visit in the district Lawang that supported by mild weather. Various kinds of tours are located in Lawang can bring benefits to the surrounding community both financial and non-financial benefits. In addition, there are fascinating sites in Lawang as well as educational facilities for tourists. One of these places is Agro Tawon Ranch Petik Madu Tour. Agro Tawon Wisata Petik Madu is the largest beekeeping agriculture company in Malang and surrounding areas. Agro Tawon Wisata Petik Madu located in Puri Kencana, Dr. Wahidin 8, village Bedali, Lawang, Malang regency. This location is relatively easy to reach by the tourists because it is only 1 km to the south of Lawang market, on the main route between Malang and Surabaya. Basically, profits are the goal of an entrepreneur in running his business. The production process is conducted as efficiently as possible with the goal of maximizing profits and reducing cost figures. This is inversely proportional to the producers who apply the basic elements of social capital like trust and reciprocity. Rossiter et al. (2011) remarked that entrepreneurs have their own motivation to establish business and this is beyond the

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control of socio-economic factors. Independence to be creative becomes the main driver of entrepreneurs. A friendly relationship helps the creation of a business through the concept of strategic creativity which is suitable to gain creativity and inspiration and to achieve personal satisfaction.

There is also related the basis of friendship, as delivered Putnam (1993) social capital is used to build a network in order that the community can together build a group to create a joint venture. Meanwhile, contrasts with Bourdieu (2000) using social capital to compete with other groups. Trust and existing network used to weaken other groups so that the effort made a group can thrive without obstruction from the other groups. There is a view of the component in the social capital that is about social networking. Social networks are important for integration while the absence of networks is problematic (Kindler et al., 2015). Supporting access to any kind of network or organization is important. This means that efforts are made to direct new refugees to local community organizations to ensure that they can connect with people once they receive leave to remain. These organizations can help to connect refugees who do not have access to friends and family to others and would benefit from support.

Martinez-Canas et al. (2012) explained that crowdfunding or trust-based collective action allows entrepreneurs to have several advantages such as access to funds, avoid financial risks, overcome obligations, and more information to identify the audience. The implementation of social capital is also so thick felt in the creative effort in Malang especially Agro Tawon Wisata Petik Madu. This study aims to examine this effort, the application of social capital often occurs between the owner of Agro Tawon, guard shops in Agro Tawon, and farmers built Agro Tawon. One of the most common is trust in each other in business activities. Beliefs can arise simply because they have been built so far when establishing the business, such as having the same vision and mission, often resulting in a meeting, because the entrepreneur has a good reciprocal relationship with customers, breeders or local residents: owners have had long time cooperation. Trust will increase strength and competitiveness; it also allows the exchange process without fear of fraud (Coleman, 1988). Social Capital is important to the efficient functioning of modern economies. It constitutes the cultural component of modern societies, which in other respects have been organized since the enlightenment on the basis of formal institutions, the rule of law, and rationality. Building social capital has typically been seen as a task for second generation economic reform but unlike economic policies or even economic institutions, social capital cannot be easily created or shaped by public policy (Fukuyama, 1995; 2000). With the element of trust and reciprocity, it will create trust and provide a sense of security and comfort for consumers (Wiedmann et al., 2010).

According to Pranadji (2006), if the strengthening of social capital is only considered the development of a network of relationships (physically) between the components of trust, a network of employment relationships (network), and cooperation, as well as many expressed by experts (economic) in developed countries. This matter assessed is still relatively superficial and yet touching directly the root or essence of strengthening social capital itself. Social capital is a core cultural values. Strengthening the social capital necessary beginning of strengthening local cultural values (Puspitasari, 2012). In addition to the values of culture, elements of social capital that are rated important developed in the rural community empowerment is the competence of human resources or human resources (human capital), the social and organizational management of civil society a strong social structure is not lame, strong local leadership, moral and legal system, and the Organization of good governance (Wiesinger, 2007).

The view of social capital proposed by Alfiasari (2008), the components of the social capital in the form of trust, social networks, and social norms that are owned by members of the group in his social relations are in the category of being. Being beekeeper honey is not a business that can be underestimated. There is so much to be gained from honeybee farming. From honey therapy to the therapy using bee stings. This makes the honey bee farm should continue to want to learn and cultivate this business. Agro Tawon Wisata Petik Madu has given expressed to many beekeepers around the area of the Agro Tawon Wisata Petik Madu helps and monitors developments and helps the need to raise bees. Needs used for beekeeping. The need used for beekeeping is honey bee box. The honeybee box used will be used to become a honeycomb. The intended frame will be used for honeycomb, frames for inclusion in the nest box, a large enough clean area and provide feed for bees, and surely beekeepers must have bee colonies. The required capital is also big enough to start this business because the price of the bee colony always rises. Seeing the huge capital needs, it is certain that only the owner of capital in the form of finance alone can establish a business of honey bee cultivation. In fact, besides the need for financial capital, an entrepreneur must have skills in communicating, giving trust to others, giving action and reaction with others, life networking and all that is a skill in socializing. In addition to capital in the form of wealth, one must have the above skills that can be called social capital. Implementation of social capital is needed to be able to maximize what has been difficult to assess with money such as relationships with family or friendship. Establishing a business definitely requires a good enough capital of social capital and financial capital. Lack of financial capital always makes the entrepreneur quit his business to establish his own business. Social capital is a capital that has not been well calculated. Social capital can reduce

the use of financial capital because social capital directs to use social relationships as capital to establish a business and the major powers have on surrounding communities, and relationships.

2. Method

The research method used in this research is qualitative descriptive. This study was described objectively specified in accordance with the phenomenon of social capital conducted in the honey farm of Agro Tawon Wisata Petik Madu, Lawang. This study examined the owner of Agro Tourist Wasps' honey, Honey's Wasp Agro Guards, community working in the Agro Tawon Wisata Petik Madu and Wasps Agro Tourist's small-scale Breeders Pick Honey so that data can be obtained. The author uses the method of Triangulation of data inside three-sided informants from three data sources so that the data can be trusted. This research includes the informant owner Agro Tawon Wisata Petik Madu, Manager of honey bees Honey Bees, Agro Tourism, financial manager Agro Tour Quotation Symphony Honey. Apart from officials of Agro Tour Quotation, Honey Bees, the study also examined a group of beekeepers who represented five honey breeders. The selection of target informants obtained from cooperation with owners and managers of Agro Tawon Wisata Petik Madu and all the informants was the recommendation from the Manager and owner of the Honey Bees' Tour Agro.

3. Result and Discussion

3.1. Social capital on community business

Social capital is the parts of social organizations such as trusts, norms, and networks which can improve people's efficiency by facilitating coordinated actions. Social capital is also defined as a capability arising from a common belief within a society or certain parts of society. In addition, this concept is also interpreted as a set of shared values or norms shared among members of a group that permits the passage of cooperation. Social capital is a very necessary capital to be developed in business. Many entrepreneurs who prioritize financial capital in developing their business. Financial capital is very influential with the growth of the company. However, entrepreneurs must be smart in managing the capital they have. Social capital is a capital which can help entrepreneurs in reducing the cost of doing business (Lee, 2015). In addition, social capital also encourages the ability to cooperate and coordinate to make a major contribution to product sustainability.

Social capital is used so that the entrepreneurs are not too focused by multiplying their capital in the form of wealth only, because entrepreneurs in establishing businesses must have skills in social form that include giving a sense of trust to individuals or groups, interconnecting with individuals or groups and mutually benefiting one another, and how an entrepreneur can live in a network and form a network to support his business. The application of social capital can be used in all needs because humans are social beings so, social capital can certainly be owned by every human individual.

3.2. Implementation of social capital theory on Agro Tawon Wisata Petik Madu community enterprises

Agro Tawon Wisata Petik Madu has used the practice of social capital in conducting business activities. The owner has given trust to some companies who make honey to Agro Tawon. Trust includes the belief in the quality of honey that always sent the company and its authenticity. In addition, trust is also given to the breeder builds scattered almost in several major cities on the island of Java. Bee box that has a very expensive price makes the owner must be careful in choosing a breeder who will carry the bee box and with mutual trust between the owner of the bee box and breeder of activities production can run well and each party can benefit too. In addition, the trust given by the owner of Agro Tawon Wisata Petik Madu has made many people want to join the owner to do the honey business. Honey is a business that requires very large funds. Because the cost of equipment needed is very expensive and the price of the bee box is quite high as well. The trust between the owner and the breeder builds to make breeders can develop a business of honey with the supervision of Agro Tawon Wisata Petik Madu. This development is thanks to the owners willing to lend some bee box for business expansion and trust from the owner make the farmers feel encouraged to do the optimal production of honey and good enough care as well. Social belief is the belief that basically all human interaction even on people we do not know though. People with a high level of social trust will provide the resources they have to help others even if we do not know them, different religions, races or ethnic cultures. The owner of Agro Tawon Wisata Petik Madu has given high confidence to all partners who work together to produce honey and want to learn for the cultivation of honey.

The reciprocal relationship is a tendency that exists in social capital (Newton, 2001). Replying to behavior either between individuals or between groups is something that happens in the activities in Agro Tawon Wisata Petik Madu. The owner of Agro Tawon often lends a bee box to several flower farmers who own a vast land. The laced box of

bees is quite a thousand boxes of bees wherein each bee box there are thousands of bee colonies. One box of bees as of December 2017 for 900,000 IDR. Although the price per bee box is very high the owner voluntarily lends the bees to the farmers to help pollinate the flowers so that the peasant's interest can flourish. In addition to assisting pollination, the owner benefited from the honey obtained from the flower. So from this can be known elements of reciprocity that occurred. Reciprocal relations also exist in the breeder built. The farmers who still want to learn the honey business and do not have the bee box can rent to Agro Tawon Wisata Petik Madu, and if the breeder has been able to develop the bees and get the honey that suits the bee box, the breeder may own the bee box with the price below market and can sell honey to Agro Tawon Wisata Petik Madu. Thus, both parties can benefit from convenient access to sales and production. The reciprocal relationship is very useful to reduce costs in the production process. Agro Tawon Wisata Petik Madu needs help in the dissemination of bees to optimize the production of honey. In order for the bees and bee colonies to be distributed throughout the region following the distribution of flowers, it takes Human Resources that can cultivate bees for the production of honey. Bee cultivation is not easy and should be equipped with a lot of knowledge. So, the owner of Agro Tawon Wisata Petik Madu is very open with people who want to learn to cultivate bees to produce honey. This relationship, the farmers assisted also in providing equipment for the production of honey. The equipment is obtained from Agro Tawon Wisata Petik Madu. A box of bees containing hundreds to thousands of bees is priced at 900,000 IDR. A very expensive price to start a business. Bee cultivation is more or less should have 10 to 50 boxes of bees so that the results are more optimal. According to the calculation of the Agro Tawon guard for the Petik Madu Tour, the huge cost to start this business and if not having an acquaintance will be quite difficult unless it has large financial capital. The group of farmers has a need for bee boxes for the production of honey and bees. Agro Tawon Wisata Petik Madu has the need to meet the demanded of honey from companies and markets. The relationship of mutual need is created a reciprocal relationship between the owner Agro Tawon Tour Petik Madu with farmers built. Farmers can get cheaper prices for bee colonies and beekeepers need not be confused to sell their honey because Agro Tawon Wisata Petik Madu wants to buy whole honey produced by farmers built agro-wasp. In addition to farmers who get the bee colony at a price below the market, farmers are also facilitated in selling honey produced successfully, besides Agro Tawon Wisata Petik Madu can also meet the demanded quota of honey. A mutually beneficial relationship has seen in the research. Farmers built also won the trust of the owner to expand its business. Getting trust is the foundation for stepping

into a better business world. In addition, mutual trust reciprocity can occur and with trust, then reciprocity occurs and there is no suspicion if one group or individual to earn income. The reciprocal involvement also occurs between the owners of agro wasps with the agro guard's wasps. Owners are rarely in the office because they have busy to see the condition of the honey bee spread almost in Indonesia. The owner has confidence in the agro guard of the wasps to manage well Agro Tawon Wisata Petik Madu and become the right-hand owner of Agro Tawon Wisata Petik Madu. As a reciprocal of the owner of Agro Tawon Wisata Petik Madu, the workers who are often taken for guarding Agro Tawon Wisata Petik Madu are appointed to be the full responsible employees as long as the owner of Agro Tawon leaves. The ability of a person or a member to engage in a social relations network is one of the keys to success in building social capital. The man has the freedom to behave and determine himself the purpose of life. Agro Tawon Wisata Petik Madu has many networks that make Agro Tawon strength stronger in developing his business. Many beekeepers who now have netted in a group of farmers built Agro Tawon Agro Tawon no difficulty in the production of bees because the breeder built have spread almost in big cities on the island of Java. The honey business must be spread because it follows the turn of the season and the weather. If only relying on one production site can get stuck and many companies that have become consumers of agro-honey bees will leave agro-wasps. So the network in this business is very important to support the target of honey that must be produced. Companies that become consumers of Agro Tawon honey are also quite a lot and it makes Agro Tawon as an educational tour does not feel afraid or confusion if the location of Agro Tawon Wisata Petik Madu and Outbound is empty of visitors, because income from bulk honey is enough to do development, development, and giving employee's salaries. In accordance with outsiders which is in Agro, Tawon Wisata Petik Madu is a pretty good weapon in running a business today. With a honey bee farming group, honey production can be done well and energy efficiency, time, thought and cost efficiency can be made to meet the needs of livestock which is very expensive and difficult to obtain. Relationships that occur not only with breeder built but also with scientists who understand the cultivation of honey bees. In addition, the network that is formed is a network of fellow craftsmen of honey production equipment. This network aims to complete the needs of all breeders for the procurement and production of honey. This network is very helpful because in addition to the accuracy of goods obtained and the quality is guaranteed, the price obtained is also not too high because the relationship between the owner with the craftsmen and also providers of raw materials are well established. This social networking relationship also makes Agro Tawon Wisata Petik

Madu easily spread all over Indonesia. In addition to the need for the spread of bee colonies as well as AgroTawon Wisata Petik Madu has spawned its own network of beekeepers that started from the provision of training in many places.

Social capital is the capital gained since human birth, how humans can grow and develop cannot be separated from the role of social capital. The current Indonesian society that is intensifying the life of creative economy can be more deeply into knowledge about social capital. In addition to being able to streamline spending, social capital invites to lift the lives of people with social capital owned by each individual, because humans themselves are social beings.

4. Conclusion

The business group wants economic development better, need to foster the growth and development of social capital in addition to the availability of other types of capital (financial capital, physical capital, natural capital, and capital Division traveled). The strategy rested on the power of social capital in the economic development of the people through community-based business group requires the involvement of many parties both Government, private as well as the companion power. This needs to be aware that the people's economy is a society that in fact have the level of knowledge and quality of life. Sometimes they do not realize that social relationships they build with the base on trust, and social norms that are owned is a big capital to build internal business group-based conditions a formidable community. Agro Tawon Wisata Petik Madu has been applying social capital in business activities and developing a community around the Agro Tawon Wisata Petik Madu. Social capital has provided a good impact on the development and management of the business in the Agro Tawon Wisata Petik Madu. In General, a component of social capital in the form of trust, social networks, and social norms that are owned by members of the group in his social relations are in the category of being. This means that there needs to be an effort of the parties related be it rancher small-scale, Agro Tourism Wasps Manager: honey, business owners and companies joint as a policymaker for working together to optimize the potential of social capital arising from social relations are intertwined.

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