

Potential of Social Capital and Village Development in Order to Implementation of Law Number 6 Year 2014 on Village in North Sumatera

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Abstract: Awareness and mutual willingness to progress and prosperity of the village will only emerge if the existing potential capital of social capital can be utilized and accumulated in such a way through village management and village development. Such social capital provision is part of local wisdom. This study aims to identify the potential of social capital owned by villagers, especially those related to elements of trust. The findings of this study are expected to contribute in realizing the successful implementation of Law No. 6 Year 2014 About the Village, where the potential of social capital can be utilized in conducting village community empowerment. The approach used in this research is a combination of qualitative and quantitative approaches. The study was conducted in 5 villages located in five districts in North Sumatera Province. Source of qualitative data obtained by in-depth interview technique to informant, while quantitative data obtained through serve into 250 respondents. In general, every village studied has the potential of social capital, especially the elements of mutual trust, both in the informal community and in formal community relations. The potential of social capital of value, such as trust is also strong enough at the village level, and it is very supportive for village development efforts, especially those related to the empowerment of rural communities as mandated in Law No. 6 of 2014 on Villages. The potential of social capital found in research can contribute to supporting rural development when utilized and utilized properly.

1 INTRODUCTION

Village Law No. 6 of 2014 which requires the central government to allocate village funds will be able to reduce village gaps if the Village Government and Village Communities are able to utilize it well. Conversely, if the village management is not done well, it is not impossible that the opposite happens, the village will be more lagging behind the progress of the city, even very likely the conflicts in the village.

In Law No. 6 Year 2014 on the Village mentioned that one that must be done by the village government is to empower the village community. In the Act, the empowerment of rural communities is defined as an effort to develop the independence and welfare of the community by increasing knowledge, attitude, skills, behavior, ability, awareness and

utilizing resources through the establishment of policies, programs, activities and assistance in accordance with the essence of the problems and priorities needs of the village community. As an individual his knowledge needs to be enhanced, his awareness, his skills in viewing opportunities and potential resources in the village so as to be beneficial for the welfare of himself and his family. As the community needs to be increased awareness and ability to organize with the aim to be able to jointly overcome and deal with all the problems of life that exist in the midst of village communities.

When carefully traced, in fact the villagers in the past have a socio-cultural mechanism that can solve the various problems of life that exist in the midst of the village community, which we are now familiar with local wisdom for local communities. Local wisdom according Sibarani (2012) is the value of local culture that can be utilized to manage the life

of society wisely or wisely. Furthermore, it is mentioned that local wisdom belongs to the community whose attitude and personality are mature to be able to develop local potentials and resources in making change for the better. But today, local wisdom is fading along with the process of modernization and globalisation that continue to hit our society including rural communities.

Efforts to revitalize local wisdom become important to be done so that the village development process does not deprive the socio-cultural values of local communities. Village Law No. 14 Year 2014 will only be implemented properly if there is awareness and willingness together (villagers - village officials - external forces) for village prosperity and prosperity. The awareness and mutual willingness to progress and the welfare of the village will only emerge when the existing elements of social capital can be utilized and accumulated in such a way through village management and village development. The result of Badaruddin's research (2006) found that the success of Polongan Dua Residents in Rao Sub-District, Pasaman District of West Sumatera, builds collective cooperation of rubber sale of auction system based on the availability and ability of local people to utilize and accumulate social capital. This research tries to identify the potency of social capital possessed by rural community especially related with element of social capital of trust. Fukuyama (1995) mentions that trust is the core element of social capital.

2 LITERATURE REVIEW

Ostrom (1992) uses the concept of social capital to highlight the phenomenon of development in Third World Countries. In his study using this concept of social capital, Ostrom noted that development using social capital showed better success rates, so he concluded that social capital is one of the prerequisites for the success of a development program. Meanwhile, Woolcock and Narayan (2000) mention that social capital is formed from norms and networks that can enhance togetherness (collectivity).

Associated with the organizational phenomenon, Rose (1999) in her research in Russia found that social capital is a key element for the working of informal organizations in society as an alternative to formal organization. Rose's findings show that social capital is an important prerequisite for organizational success. The Village Act of 2014 shows explicitly the formal village organization as

part of the Implementation of the Act. In addition, the Village Act in 2014 also requires the growth of informal organizations in the village as a support for the emergence of *good governance* in village government.

If the results of studies and research findings from Ostrom and Rose are linked to this research plan, the implementation of the Village Act 2014 should also be colored by the working of social capital in the process of organizing such formal organizations as village administrations (village heads and village apparatus as well as Village Consultative Bodies) as well as informal organizations such as recitation associations, Union Help Society (*STM*) and others. Elements of social capital must also be present in the village development program for the success of the development. Puspitasari (2012) states that in relation to efforts to increase the development and economic independence of the community turned out to be a necessity to be addressed holistically, especially for policy makers by utilizing all the potential that exists including the potential of social capital of society. It further mentioned that the empowerment of society by involving cultural dimension and utilizing the role of social capital in society can optimize the result of empowerment process.

Putnam and Fukuyama who develop social capital according to Spellerberg (1997) put forward a different definition of social capital, but the definition of both has a close relationship. Putnam defines social capital as the appearance of social organizations such as networks and trusts that facilitate coordination and cooperation for mutual benefit. While Fukuyama defines social capital as an ability arising from the existence of trust in a community. Fukuyama (1995) also mentions that the core element of social capital is (trust).

The study using social capital concept in the phenomenon of community empowerment was also conducted by Badaruddin (2006) who studied about "Social Capital and Development of Social Capital Transmission Model in Efforts to Increase Family Welfare (Study on Three Rubber Farmers Community in Rao Sub-district of Pasaman District of West Sumatera)". From the results of the reserach it was found that "the rubber sale organization with auction system in the village was formed due to the availability of social capital in the village, and the ability of the local community to utilize and utilize social capital. The findings of Badaruddin's research reinforce Putnam's (1993) conclusion that the elements of social capital (trust,

norm, and social network) tend to be self-reinforcing and cumulative, meaning that the social capital stock will grow (cumulative) when used .

Research on Badaruddin (2009) on "The Social Capital of Social Capital (Alternative Social Capital) Implementation Model in North Sumatra (Study on Three Corporates: BUMN, PMDN, and PMA)" found that CSR implementation by corporates has not fully utilized social capital, which has an impact on the outcome of the CSR program. From the results of research conducted offered an alternative model of CSR implementation based on social capital through "Collaboration Work Model" as shown in Figure 1.

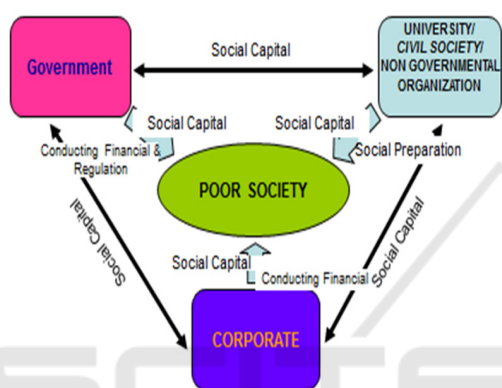


Figure 1: Collaboration Work Model for Community Empowerment Through Corporate Social Responsibility (CSR) Program Utilizing Social Capital

The World Bank as one of the world's major financial institutions that channel aid, especially to third world countries, is also interested in the results of studies that use the concept of social capital (see Dasgupta and Serageldin, 1999). The World Bank defines social capital as the norms and social relationships inherent in the social structure of society that is able to coordinate actions in achieving the goals.

From the results of a study done by several scholars, Lubis (2002) came to the conclusion that social capital has core elements that include: (1) trust, which includes honesty, fairness, egalitarianism, tolerance and generosity; (2) social networks, which include participations, reciprocity, solidarity, collaboration / cooperation, and equity; (3) institutions, which include shared values, norms and sanctions, and rules.

Various studies using the above social capital concept provide guidance that development (including rural development) should also utilize the

potential of existing social capital for the successful development of the village itself. Law No. 6 Year 2014 About Villages that have a passion for the welfare of the village community should be implemented properly and correctly.

3 RESEARCH METHODS

The research design used in this research is a combination of qualitative and quantitative approach with combination model used dominant-less dominant design (Creswell, 1994; Badaruddin, 2017). Primary data were obtained through in-depth interview techniques and observations for qualitative approaches. To obtain information that is really accurate triangulation technique done. As for the quantitative approach, primary data is collected through survey techniques by distributing a semi open ended questionnaire.

The population of this study is the families who are in the study location. The size of the research sample from the family group was determined by 50 heads of households from each village studied so that the total sample was 250 families. For qualitative data, the source of data comes from informants. The informants in this study are village government officials (village head, village secretary, head of the Village Consultative Institution), adat leaders, and religious leaders). The research was conducted in 5 villages located in five districts in North Sumatera Province, namely 1) Karang Anyar Village, Sicanggang District, Langkat Regency; 2) Lubuk Bayas Village, Perbaungan District, Serdang Bedagai Regency; 3) Pematang Sidamanik Village, Sidamanik District, Simalungun Regency; 4) Muara Purba Nauli Village, Batang Angkola District, Tapanuli Selatan Regency; and 5) Sei Kamah II Village, Sei Dadap District, Asahan Regency.

4 RESULTS AND DISCUSSION

The results of this study discusses the respondents' assessment of the potential of social capital owned by the village community, especially those related to the "trust" element. Assessment of potential social capital is used to capture the potential of social capital owned by five villages in five districts in North Sumatera Province. With this assessment, it will get quantitative data about the types of social capital potential contained in each of the villages studied that can be utilized for community

empowerment in the framework of village development to support the successful implementation of Law No. 6 Year 2014 About the Village.

4.1 Social Capital in the Form of Trust (Trust)

As Fukuyama (1995) explained that belief is the hope that grows in a society which is shown by the existence of honest, organized and cooperative behavior based on shared norms. In societies with high levels of trust, social rules tend to be positive, relationships are also cooperative. This condition illustrates that there are many forms of interaction based on trust in public relations. As a step to identify the structure of social capital relationships, Putnam (1988) then distinguishes social capital into two forms of relationship between informal and formal relationships. Informal relationships are relationships that occur between family, relatives, friends and neighbors, while formal relationships exist in associations, groups and so on.

4.1.1 Trust in Informal Communities Relationships

Putnam (1995) mentions that one that promotes social capital is neighbourhood networks which is social engagement. This neighbourhood relationship can be a visit to each other between friends and neighbors, social participation in the form of activities in public spaces such as meetings in recitation together, collect money together (*arisan*, meeting between hamlets/village (*huta*) and so forth. Research shows that the majority of respondents provide agreed ratings (63.6%) and even strongly agree (23.2%) that neighbors and people in the neighborhood where they live can be trusted. Only a small proportion of respondents (3.2%) of 250 respondents rated that they disagreed with the statement that neighbors and people in their neighborhood were trustworthy. The remaining 25 respondents (10%) gave a hesitant assessment. Although the number is small, only about 13.2% of respondents disagree and hesitate, but this illustrates that in today's village society has grown the seeds of crisis of trust with fellow neighbors or people who live around them. This is very rare in the past village communities where social cohesion is still strong enough due to the interdependence and mutual need of each other that is still very strong.

In addition to indicators of trust with neighbors, this dimension of social capital (trust) can also be

seen from indicators of mutual trust among ethnic groups. There is a tendency that people will be more confident in their ethnicity than people outside of their ethnicity.

The results showed as many as 120 respondents (48%) agreed to the statement that they believe more people who have the same ethnic with him. Then another 33 respondents (13.2%) also gave a strongly agreed assessment, that they trusted more people with the same ethnicity as themselves. The rest of 69 respondents (27.6%) gave disagreement and strongly disagreed with the statement of trusting people who had the same ethnicity as themselves. Other respondents gave a hesitant assessment of the statement as many as 28 respondents (11.2%). This finding illustrates that ethnic backgrounds have become an important measure of the villagers' sense of trust in others, neighbors, and so on. Although the majority of respondents (61.2%) believe more in people of one ethnicity, yet still large enough respondents are still in doubt and disagree that only the ethnic credentials can be trusted. That is, the trust between people is still strong enough in the five villages studied, although the villagers are heterogeneous in terms of ethnicity. In general, ethnic groups in the research villages are relatively homogeneous, so the potential of social capital for mutual trust elements will be greater.

In addition to their own ethnic beliefs, trust with a religious person is also part of an assessment of the potential of social capital in society. The research findings show that most respondents (78.4%) agree and strongly agree that the same religious background is a measure of the emergence of the village community's trust. The rest gave a disagreement assessment of 43 respondents (17.2%) and hesitant as much as 11 respondents (4.4%). This data indicates that the same aspect of religious background is the measure of the emergence of a relationship of trust in the community of the five villages studied. In research villages where 100% of the population are Moslems, then for the indicators of mutual trust with people who are religionists do not become a problem in doing social relations in the midst of society. When linked to earlier findings of mutual trust with ethnic peers, then the judgment that the credible is on the basis of religion is greater than on an ethnic basis.

Neighbors are the ones closest to the daily lives of the villagers. Thus, neighbors also become an important part to see how the potential of social capital that exist in the village community, especially those related to trust. The results of the study indicate that as many as 188 respondents

(75.2%) gave an agreed assessment and strongly agreed that they believed their neighbors would not hurt or intend badly on them. Only 20 respondents (8%) of the 250 respondents rated disagree and 42 respondents (16.8%) gave a hesitant assessment of the statement. The findings of this study illustrate that in general, respondents have a high degree of confidence in the neighbors.

The trust of the villagers is also demonstrated by the trust indicators in borrowing and lending money to the needy neighbors. The results showed that most respondents (69.2%) gave an assessment that residents in the neighborhood where they live still trust each other in borrowing or lending money. The total of 23.6% of other respondents gave a hesitant assessment with the statement that residents in the neighborhood where they live still trust each other in borrowing or lending money. The rest, as many as 7.2% of respondents gave an unapproved assessment of this statement. These findings illustrate that the mutual trust associated with borrowing and borrowing money is still strong enough in almost all of the studied villages, but findings that indicate the existence of doubt, even some who do not believe, is a "signal" that elements of social trust capital, as well has begun to experience problems at the village level. This was reinforced by one informant who mentioned:

"... in a village of trust with neighbors is not what it used to be. In the past we were very confident with everyone, because we believe that the person is always honest, including when our neighbors borrow money. But nowadays, new people want to lend money if it is already very confident with the person. Because there is already a case in this village, people are so doomed because of debt".

The information reinforces quantitative data which indicates that social capital in the villages studied, in particular the elements of mutual trust, although still strong enough, has shifted. Villagers are not to blame if there are people who owe, but not given, if the villagers judge that the person has dishonest nature. This is in contrast to past conditions, where there will be social sanction for the village's rich who do not want to lend to villagers with financial difficulties.

Villagers in running their lives often experience difficulties. To overcome this someone would need

help from others. This study found that as many as 51.6% of respondents stated that while in an emergency or need help, relatives or family is the first person to be contacted by respondents to be asked for help. Furthermore, the respondent who states that the neighbor is the first person to be asked for help is as much as 41.2,5%. Respondents who asked for help to friends as much as 2.8%, to the village government as much as 2%, to the chairman/members of the group/association as much as 0.4% and as much as 1% of respondents said nobody helped or did not know. These findings indicate that relatives are still the primary choice to be asked for help in the event of urgent emergency, followed by choice to neighbors. This indicates that the neighboring relationships of the villagers studied are still quite strong. This finding is in line with the results of interviews with informants who mentioned:

"... because the people in this village generally still have relatives with some villagers in this village, so if there is an urgent need will usually ask for help to fellow relatives, but neighbors are also usually will quickly help if there are neighbors who need help".

The relationship of neighbourhood still fairly well maintained in the five villages studied. This is a potential social capital that can be utilized in village development, especially related to village community empowerment programs.

Villagers and village elites are generally people who can be trusted by villagers. Who of the village's most reliable figures and village elites can differ from one another. The study found that the Village Head became the most respected and trusted by the respondents, as many as 137 respondents (54.8%). The religious figure is the second most trusted figure of the citizens, as many as 110 respondents (44%). The remaining 3 respondents (1,2) declare obedience and believe in traditional leaders rather than to village heads and religious leaders. The findings of this research actually have a relationship with the Village Head election system directly by the population, where the Head of the Village is elected based on the majority vote. The current Chief of Village is the result of the direct election which has the most votes. That is, the choice of village heads by some villagers illustrates that they believe and are willing to abide by their chosen village elders. The low choice of indigenous leaders is due more to the

circumstances in which the five villages examined by the role of ethnic leaders are no longer significant in the life of the community.

4.1.2 Trust in Formal Communities Relationships

Putnam defines social capital as a mutual trust value between community members and society towards its leader. This trust can be seen from some, among others (1) how high the level of public participation to the courage to argue with the leader; and (2) how many citizens use the opportunity to channel their aspirations. Related to this, the study found that most respondents (68.8%) agreed and strongly agreed with the statement that villagers were involved in designing/planning development programs in their villages. Only a small portion (10.4%) of the respondents stated that they did not agree with the statement that villages were involved in designing/planning development programs. The remaining 20.8% of respondents gave a hesitant assessment of the statement.

In relation to the inclusion of villagers in the implementation of development, most (71.2%) of respondents considered that villagers had been involved in the implementation of village development. Only 12.8% of respondents gave a disagreeable assessment of whether villagers had been involved in the implementation of village development. The rest, as many as 16% of other respondents gave hesitant statements. Theoretically, if the citizens have been involved in the village development planning process and also involved in the implementation, then development is expected to produce good development.

This study is also in line with the theoretical view, where most (72.8%) of the respondents considered that the development program run by the village government apparatus is going well and in accordance with the villagers' wishes, the remaining 11.6% strongly disagree that the development program run by the village government apparatus is already running well and in accordance with the wishes of the village community. Respondents who gave a hesitant assessment of this statement were 15.6%.

Quantitative findings of this study indicate that the level of community participation in rural development in the five villages studied showed a fairly good figure according to the perception (assessment) of respondents. The findings are also in line with the respondent's view that the Village Government Officials have managed the village

development program well, and the programs are in accordance with the wishes of the people. Theoretically, participation will increase when community members are involved in the development process, from the planning, implementation and evaluation phases. Musrenbangdes which becomes a forum for community participation in development planning will be a means that can increase community participation when used properly and properly.

5 CONCLUSIONS

In general, every village studied has the potential of social capital, especially the elements of mutual trust, both in the informal community and in formal community relations. The potential of social capital of value, such as trust is also strong enough at the village level, and it is very supportive for village development efforts, especially those related to the empowerment of rural communities as mandated in Law No. 6 of 2014 on Villages. The potential of social capital found in research can contribute to supporting rural development when utilized and utilized properly.

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