

## **Correlation between Social Capital and Entrepreneurship toward Posdaya Empowerment**

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### **ABSTRACT**

The objectives of the study were: (1) to analyse the empowerment level of Pos Pemberdayaan Keluarga (Posdaya) based on the four pillars, namely, Economy, Health, Education and Environment; and (2) to review the relationship between social capital and entrepreneurship toward Posdaya empowerment. The study was conducted in Bogor and Cianjur districts of 20 Posdayas by using a survey method. The total number of respondents was 199 consisting of members, management personnel of Posdaya and the society of the twenty Posdayas. The data were collected from May to September 2014 and processed using rank Spearman Correlation. The results indicated that Posdaya cadres empowerment, based on the four pillars, was not satisfactory yet as a result of high dependency of the cadres on university support as well as that of the government. Another reason was that there was less community initiative to realise self production resources and self capital support. Social capital and entrepreneurship are important factors in improving Posdaya empowerment. Therefore, supports from university, the local government, private sectors and society in improving Posdaya empowerment are generally and badly needed. Posdaya empowerment has developed the community's health, economic and education, but not the environment, which was categorised as less empowered. Social capital and entrepreneurship were variables to improve Posdaya empowerment through structure, relation, affective behaviour and entrepreneurship. This empowerment was supported by Posdaya's potentiality, community and economic infrastructures.

*Keywords:* Empowerment, social capital, entrepreneurship

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## INTRODUCTION

Centre for family empowerment post (Posdaya) is a centre for empowering community activities conducted in, by, and for the community itself, which is generally known as *bottom up programme*. Mulyono (2014) stated that Posdaya is a model of family empowerment to revive the mutual cooperation culture in building human resources through active participation in the family. Autonomy, utilisation of resources and local potential become sources for every solution. Posdaya is a place for friendship forum, communication, advocacy, and also a place for functionally strengthening unified family activities based on the four pillars mentioned (economic, health, education and environment). Masduki (2009) mentioned that in a certain circumstance Posdaya can be a centre for continuous family services such as in education, health, economy and environment so that families in all villages can grow independently especially in activities related to the four pillars.

The four pillars of Posdaya were developed to grow independently in programmes based on local and potential conditions starting from the easiest programme to more difficult ones in order to revive the social capital, mutual aid and self help among the members of the community. Partnerships with other institutions in caring for the poor community were also established (Saleh *et al.*, 2014).

The main indicators of Posdaya developed by the Centre for Human Resources Development (P2SDM) of Bogor Agricultural University were independency

and empowerment. Aziz *et al.* (2011) indicated that self help is a means to be independent. Being independent is a condition in which a person does not need any support from other people or institutions. Bantilan and Padmaja (2008) stated that empowerment is a process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes. Furthermore, Aziz *et al.* (2011) mentioned that community empowerment is conducted using participatory approach through the following phases: field of inquiry, analysis for action, advocacy training, policy dialogue, and tracking action for change.

Recently, the development of Posdaya has improved. Some studies have mentioned the improvement based on several social measures. Therefore, it is important to develop a road map of Posdaya empowerment stages.

A togetherness circle could not be developed without binding values. Some literatures refer to these traditional values as social capital. Without any social capital, friendship, working together, and the attitude of caring for each other cannot be realised. The role of cadre also became very important in creating young entrepreneurs.

These cadres were known as social entrepreneurs, as cited in some literatures. Recently, Posdaya has expanded and become attractive among various government organisations and private sectors. Posdaya empowerment to improve the quality of life of its members is due to its social

capital and entrepreneurship. Bantilan and Padmaja (2008) stated that build-up social capital played an important role in influencing impacts from the technology because of the ways in which social network and social relationship facilitated the dissemination of technology. Moreover, entrepreneurship itself is a process which takes place in a network in the presence of social relations (Ebrahimi *et al.*, 2013). A big question has been about how social capital and entrepreneurship were able to empower the Posdaya cadres themselves. Hence, the objectives of the study were: (1) to analyse the Posdaya empowerment based on the four pillars: education, health, economy and environment, and (2) to analyse the correlation between social capital and entrepreneurship toward Posdaya empowerment.

## METHODOLOGY

The study was conducted on 20 Posdayas, which are located in the Districts of Bogor and Cianjur. The research employed a survey technique. Posdaya was chosen by observing its progress. The data were collected from May to September 2014. The study was designed as a descriptive explanatory correlation. The respondents amounted to 199 people consisting of Posdaya cadres and members, as well as influential leaders.

The data used include both primary and secondary data. The collected primary data consisted of information on social capital, entrepreneurship and Posdaya empowerment. The data were separated into

four pillars: education, health, economy and environment. The primary data collection techniques used questionnaire in-depth interviews (fully-structured interviews), observation and focus group discussions. The secondary data were documents obtained from the study reports, village offices, relevant government agencies, as well as other relevant documents from BPS, books, journals, or internet containing theories or research findings related to the study. The analysis used was descriptive statistical analysis such as frequency, percentage; and Spearman rank correlation analysis.

## RESULTS AND DISCUSSION

### *Characteristics of the Respondents*

Most Posdaya activities were done by teenagers and adults. The ages of the respondents ranged from 15 to 75 years old. Eighteen percent of them were at productive ages (35 – 40 years old). Most of the male members are married (15 - 19 years old). There are more female members than their male counterpart. The Posdaya activities were done more by the females to support their family needs.

Posdaya was mostly conducted in remote and poor villages. Education is not as important as their livelihood work. There were many respondents who did not finish their primary education (27 percent). The rest of them were high school leavers (29 percent). Most of the respondents worked in the home industry, farming and fisheries by utilising available local resources and potentials in each area or community

(Saleh *et al.*, 2014). Female respondents were housewives and workers in the home industry. The family size ranged from three to five people. In a family of more than five people, the motivation to be an active member was very low.

The community has been contaminated with instant lifestyle and consumerism, causing difficulty for them to get involved in social programmes. There is a tendency for lessening social care as a result of being busy working in industrial world with longer working hours.

Lack of motivation in community development and the difficulty in making the respondents take part in community development collaboration among the locals have caused Posdaya activities to be stagnant whereby some of them stopped altogether in developing Posdaya activities. In addition, underdeveloped Posdaya was also due to lack of organizational skills and knowledge.

#### *Posdaya Empowerment in Community Development*

Community empowerment is a possible element for a community to survive and reach some progress (Hendratmoko & Marsudi, 2010). Situmeang *et al.* (2012) define empowerment as an effort to provide resources, opportunity, knowledge, and skills in improving the ability to make decisions, take actions and participate in group life.

Posdaya empowerment was expected to support a community in creating its own business activities. Empowering

Posdaya was supposed to be built in a surrounding society, indicated by a completely established Posdaya. This completely established Posdaya created a forum to empower the community. There were 20 Posdayas chosen in this particular study. Details on the condition of Posdaya empowerment are described in Table 1.

Table 1 indicates that Posdaya empowerment has not been fully achieved, where more than fifty percent of the members admitted this condition. There were seven basic aspects causing this situation including accessibility to productive assets, capital, cooperative, marketing, technology, needed inputs and human right.

Table 1 also shows that the level of empowerment is not satisfactory or it is categorised as less empowered. Problems appearing in a Posdaya mostly depend upon the role of universities, as well as government support. The community does not have complete understanding about the purpose of establishing a Posdaya, whereby in their opinion, Posdaya should provide them with a business capital. This particular attitude reflected the community's behaviours toward achieving a better life as being an inferior skill. More than sixty percent of the respondents expressed that the economic aspect was less empowered. This resulted from the difficulty of the members to obtain capital, although Cooperative and Micro financial centres had been established in several villages. The difficulty in accessing capital was caused by the difficulty in accessing information. Training and supervision gave them skills

in feed processing in implementing business activities. However, the marketing of food products was still an obstacle. This was due to the practice of doing their business individually, rather than in cooperative effort or mode.

Technology was highly needed to improve their business. Until recently, Posdaya has not been able to apply economic technology as they only recognised simple technology. In fact, Posdaya is even unable to access input of production from urban areas.

Health Pillar became a priority in Posdaya despite its very low empowerment level. This means that the respondents are conscious about how important health is in their life. However, that aspect/pillar is still less empowering. Empowerment can be improved by supporting some factors, such as participation, supervision, training, and partnership. Community participation had existed prior to the launching of Posdaya, however, the respondents need more training

and support by the government as well as the universities.

Education pillar is also indicated as being less empowered. The education programmes consisted of school for kids under five years old (PAUD), Quranic School (Religion), computers training and reading activities for illiterate people. All of these activities existed before the Posdaya programme was introduced. It was expected that Posdaya could continue and improve those activities. School infrastructure was incomplete. Posdaya is supposed to provide that infrastructure as well as volunteer teachers.

More than fifty percent of the respondents stated that the environment pillars failed to improve the environment of the community despite the programmes of animal fertilizer, family health, nutrition and medicinal plants, biophore programme, common seed plantation and tourism. The respondents thought that there was no need for implementing those particular

TABLE 1  
Posdaya empowerment based on the Four Pillars

Variables	Category	Total (person)	Percentage (%)
Economy Pillar	Less empowered	129	64.8
	Empowered	70	35.2
Health Pillar	Less empowered	104	52.3
	Empowered	95	46.7
Education Pillar	Less empowered	114	57.3
	Empowered	85	42.7
Environment Pillar	Less empowered	110	55.3
	Empowered	89	44.7
Posdaya empowerment	Less empowered	107	54.0
	Empowered	92	46.0

n=199

programmes for various reasons. Those programmes were less beneficial and unable to improve their empowerment. Moreover, the technology used was not suitable for the local condition. For example, biopori is not favourable because the soil in their area is unable to absorb water. Posdaya is not active in distributing the information needed. Therefore, their behaviour remains unchanged.

#### *Correlation between Social Capital and Entrepreneurship toward Posdaya Empowerment*

Social Capital and entrepreneurship are supposed to be the most important variables in order to increase community empowerment through Posdaya. The basic elements of social capital are trust, cohesiveness, altruism, cooperative, networking and social collaboration. These have great influence on economic development through various mechanisms such as increasing public responsibility, widening people participation in democracy, strengthening harmony among people, and decreasing conflict. According to Kyu Ha (2010), social capital consists of community cohesiveness, relationship, reciprocity, partnership and common rules. The scatter values of rank Spearman coefficient on social capital and entrepreneurship toward Posdaya empowerment are presented in Table 2.

Table 2 shows that social capital has a positive relationship toward Posdaya empowerment. It means with social capital owned by Posdaya the community empowerment is better. Social capital of

Posdaya is reflected through three elements, namely structure, relation, and affective. All these can develop social empowering of Posdaya itself. Structural social capital is the ability of the members to collaboratively conduct activities such as in celebrating religious activities and Independence Day.

TABLE 2  
Rank Spearman coefficient ( $r_s$ ) value of social capital and entrepreneurship toward Posdaya empowerment

Variables	Value of $r_s$ in Posdaya empowerment
Social Capital	0.142*
Entrepreneurship	0.294**

\* Correlated significantly at 0.05 level (2 tailed)

\*\*Correlated significantly at 0.01 level (2 tailed)

$r_s$  = rank Spearman coefficient

The quality of committee to manage program is part of the structural social capital. Coordination among committees created norm and rules which can tighten the committee's involvement with the community's aspiration. This study indicated that cooperation established among its members ultimately led to progress, such as the development of cultural infrastructure.

Social relation is reflected through participation among people in common activities. Posdaya is generally based in rural areas where cultural values are well- established. This was indicated by cooperative work with newcomers such as those from Sumatera and Java and business activities as well as organising jobs, especially in Posdaya programme. Larson *et al.* (2004) stated that social capital can create collective work, especially in poor society.



Generosity and tolerance indicate an affective behaviour. Such behaviour is continuously developed through Posdaya programme to avoid intolerance and jealousy orientation toward newcomers. They are happy if the newcomers conduct their business successfully. *Zal et Al.* (2013) stated that social capital will be able to support community empowerment in economy.

The result of the study showed that entrepreneurship has a highly positive significant correlation to Posdaya empowerment. It means the better the Posdaya entrepreneurship, the better will the Posdaya role be to empower the economy of the members and community. Posdaya entrepreneurship approach emphasises on empowering social problem solving. Posdaya entrepreneurship is determined by capital, labour, basic input, skills and technology.

Capital used will be gained from government support or micro finance loans. The community will gain a loan through proposals applied based on accepted rules. The other element is labour. Commonly Posdaya member business is individually done in the forum at home industry. Therefore, the labour used is home labour.

The home industry was in food production. The standard material was cassavas. Those materials were provided through purchases made in the market or from other farmers. Bogor is a famous place for cassava production. The abundance cassava production has motivated Posdaya

members to improve their skills through trainings conducted by Posdaya.

Successful entrepreneurship is supported by strength and potentiality of Posdaya. Self sufficient groups such as farmer group, women group, religious group will be the potentiality of Posdaya. Potentiality refers to both community and physical supports such as using their house for kindergarten and involving in seed planting for their front yard.

Government policy became very important to develop entrepreneurship. Human resource development was reflected from the readiness of the Posdaya member to be appointed as Posdaya manager. Posdaya needs some field assistants as consultants and agents to give its members a hand in opening the off Posdaya networks. Besides, Posdaya also needs field assistants as partners to get the society moved, and as friends to discuss, extract ideas and exchange opinions, information and innovation sources for Posdaya development. Due to limited funding sources, however, assistant facilitation is hampered and this causes Posdaya's movement to become very slow.

The results of the study indicated that the Posdaya entrepreneurship development is facing a problem in human resources. To unify a community to cooperatively work together became a prominent problem. It needs to socialise a related solidity among people in the community. Consumptive life pattern was also a hindrance to persuade people for social programmes.

## CONCLUSION

Some conclusions of the research results are as follows: (1) Posdaya empowerment has developed the community in the aspects of health, economic, and education, while environment aspect had not been achieved yet, and it was categorized as less empowered; (2) social capital and entrepreneurship are the variables to improve Posdaya's empowerment through structure, relation and affective behaviour; and (3) entrepreneurship is supported by Posdaya potentiality, community and economic infrastructures.

Furthermore, advanced research should be done to improve the capacity of the local resources in order to strengthen the social capital and entrepreneurship of entrepreneurs in Posdaya.

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