

# MODEL OF ECONOMIC DEVELOPMENT COLLABORATIVE INDIGENOUS PEOPLES (AKIT) BASED ON SOCIAL CAPITAL IN ENHANCING REGIONAL COMPETITIVENESS

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## Abstract

**Purpose of the study:** The purpose of this study is to see the potential of local institutional development occupied by the Akit tribe society in Riau.

**Methodology:** The method used with a qualitative approach in the search for truth of what models are suitable for the tribal society in improving regional competitiveness in Riau. This method is taken to describe the meaning of social capital in the Akit tribe society by interviewing, observing, and participating of researchers in institutional activities.

**Main Findings:** Based on the results of the potential study at the locus of the study are found that the potential of social capital and economic potential which could be a tool to make local organizations can be competitive.

**Applications of this study:** This study is very important to provide information in the context of development at the local level.

**Novelty:** Only a very few have examined the local institutional development, especially Akit tribe society in Riau.

**Keywords:** *development, local institution, social capital, village government, local government, Akit tribe society.*

## INTRODUCTION

Social capital is an indicator of urgency in making changes in the context of development at the local level, this relates to the dimensions of social capital that grow with a set of values, norms, and interactions in regulating people's lives (Woolcock & Narayan, 2000). Moreover, individual interests will be subject to common interests such as a sense of loyalty, honesty, dependability which can only be realized on the basis of Burn's trust (Prasetyono, Juni, & Astuti, 2017).

Based on the conceptual view and previous studies, this study aims to describe and explain the model of development of local institutions based on social capital, in a collective context, and as response to the marginalization of ethnic groups due to development failures based on the neo-classical paradigm. Akit tribe society is one of the community groups that are heavily shackled in marginalized poverty and still live in isolation of rural areas.

## LITERATURE REVIEW

The development of social capital studies to this day is still an important reference in human, economic and infrastructure development with the hope of making the community independent and competitive based on the social capital of the community it self. This is in line with the first Bottom-up characteristic of the community to identify urgent issues, secondly to make decisions on all aspects of the program and thirdly to measure control qualitatively regarding decisions affecting the community (Braunack-Mayer & Louise, 2008). One important aspect in realizing a competitive society is by promoting social capital as collective empowerment through local organizations by revitalizing the role and function of community organizations. In addition, the implementation of the TTG with community participation will strengthen community capabilities (Prasetyono et al., 2017). Trust will build up with the social network of the community itself and is also influenced by electronic social networks (Jurkevičienė & Butkevičienė, 2018) that will strengthen social capital if the community can capture valid information.

In relation to this social capital based on the view from (Putnam, 2016) that social capital is seen from social organizations on the basis of trust, norms and networks. This social capital is a relational source that can enable certain societies (Coleman, James, 1988). So the definition of social capital connects (Coleman, James, 1988) between sociology and economics (Bourdieu, 1983) and will become in-material connectivity among the community (Woolcock & Apr, 2007). This connectivity will affect Social Capital (SC) Individual, intra-organizational SC and external SC (Jeanmonod & Rebecca, 2018). Social capital will also affect the career development of someone in an institution (Sciences & Gen, 2017) which is a potential network both internal of individual and internal of organizations.

Social Capital of Local Institutions that exist in the Akit tribe society is not only as a driver of institutional development, but in institutional development there are challenges in total factor productivity, the impact of political capital, and social trust (Andrey AKHREMENKO, 2017) so that the development of local institutions is very urgent collaborative. In connection with this research there are still many factors of production, especially those related to capital. Capital is still a problem in Indonesia, more specifically as happens at the village level, government guidance needs to be done by looking

at local advantages and global market opportunities ([Andrianyta](#), 2012). With the existence of constitutional development in rural institutions will reduce the poverty rate with the involvement of all parties including women ([Asadullah & Ara](#), 2016). The pattern of institutional involvement determines policies and decisions ([Bach](#), 2012) which will have an impact on the development of local institutions in the tribal communities in this study

In institutional development this is very urgent with the basis of Communication Information Technology (CIT), because today the village building movement is also closely related to the Information Technology Communication paradigm, and in the future the village initiatives must be able to build themselves supported by stakeholders, especially the government, with the support of universities, private sector, Non- Government Organizations, and information technology practitioners ([Badri](#), 2016). So the model for the development of local public organizations is closely related to the collaboration of all parties that will have an impact on improving the competitiveness of villages, regions and national of Indonesia. For activities to increase community competitiveness in achieving general economic improvement there are two types of institutions in mobilizing social and economic life, with traditional forms and partnerships ([Bakar & Fauzi](#), 2013). For this reason ([Widodo](#), 2012) is very much needed social ties in the countryside that will increase trust, and use social networks to collaborate in economic improvement, so that it will increase high competitiveness.

From this view, it will multiply Based SC with social values elements, social norms, networking participation, kindness exchange, trust, pro-active actions; will encourage the feasibility of institutional development ([Wildan, Sukardi, & Syuaeb](#), 2016). Based on the description of previous studies in the study, it was attempted to qualitatively describe the local institutional development model for the tribal community based on the development of SC by looking at aspects of trust, networking, norms, information and ICT in improving the competitiveness of rural communities in particular and generally increasing power Competitiveness of coastal areas in Province of Riau based on local wisdom.

## METHODOLOGY

This research will use a qualitative approach. The quantitative approach will explain social phenomena by using a phenomenology approach that was initiated by researchers direct observation of the tribe of Akit and institutional communities in the Teluk, the selection of Teluk Village as the Research Locus because the majority of the population in Teluk Village is 80% of the Akit. Data collection techniques carried out were by conducting in-depth interviews, observations, FGDs with stakeholders ranging from local governments, Non-Government Organizations, universities, business world, researchers participation in institutional activities, making changes or modifying existing organizational models. This qualitative approach is used to explain and interpret phenomena found in the field that are in accordance with reality. That data analysis was used (Miles, Huberman, & Saldaña, 2014).

## DISCUSSION

The ability of local communities, especially the Akit in the development of public organizations in Teluk Village, Kuala Kampar Sub-district, Pelalawan District, is one sample of indigenous tribal communities in Riau Province that have severe challenges. Based on the results of the identification, the researcher formulated a model for the development of public organizations based on the ability of local communities by departing from existing social capital in the Akit tribe society.

Organizational Development starts from social capital, and local resources that will contribute to economic development because of the existence of networks, norms, and trusts in it which become social collaboration and collaboration for mutual interests and needs. Aspects of trust or trust are elements that are very essential in forming social capital, because it is the core of social capital. Our country has felt how the lack of trust between components of the nation has caused a multidimensional crisis today.

If economic development is desired to continue, social capital in the community becomes an important aspect, especially when seen from the relationship, social attitudes and institutions in society must be improved. Economic development must be able to compensate for the social changes that occur, so that social tensions can be avoided. Efforts to impose a development movement that is too fast may be economically useless, because changes in social life have not yet materialized, even though these changes are needed to enable the community to carry out the necessary development, so that the community benefits and supports the continuity of economic development.

Measuring social capital in a development seems very difficult, but that does not mean that it is impossible to do [Narayan and Cassidy](#) (1999) have delivered several indicators. By doing a combination of various quantitative methodologies and qualitatively we will be able to find out how far social capital is available in development. In this case [Narayan and Cassidy](#) (1999), present a measure of social capital in the community by dividing it into seven major groups, namely: (1) Group Characteristics, (2) Generalized Norms, (3) Togetherness, (4) Everyday Sociability, (5) Neighborhood Connections, (6) Volunteerism, and (7) Trust.

Based on the results of the identification of researchers in improving the competitiveness of the tribal people must go through an important role with the development of public organizations through social capital namely trust, social norms, and social networks. The three elements of social capital will describe structural (network) and cognitive categories (beliefs and norms).

Model of development of public (local) organizations In increasing regional competitiveness seen from the local potential

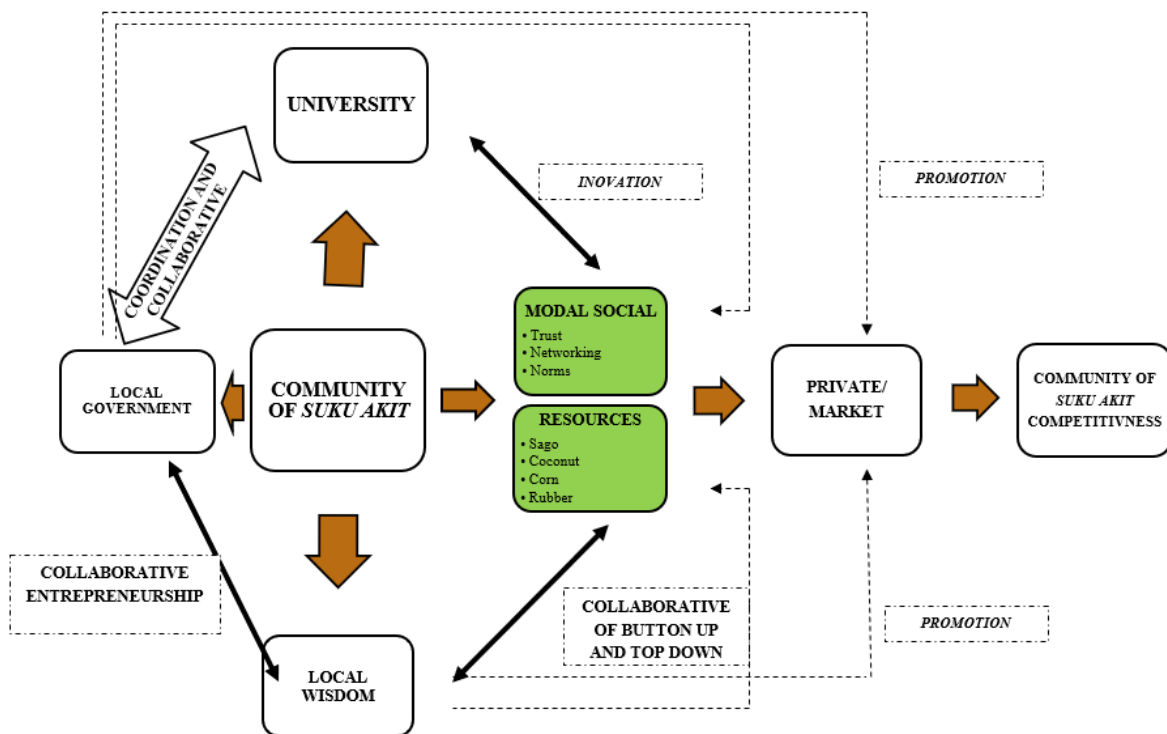
of the Akit tribal community. In the year it has a focus on the Target Group (Akit tribe community, village government and Government of Pelalawan District ). Based on the results of the first year study on public organizations (village government) is still experiencing problems in developing village government institutions. Based on the results of the study identified several obstacles in the development of public organizations. This was found in several aspects, first, from the Government and BPD institutions and the Personnel did not master the field of work in accordance with the duties and responsibilities that are already in place, so that in providing services to the public there are still problems in satisfying the Akit tribe, even though in terms of potential equipment and facilities are available to provide services .

Second, the Community Institutions in the village of Teluk do not live anymore in their activities, this can be seen from some institutional activities that are no longer running in accordance with the community institutional programs even though the management and programs exist and are potential. Third, the Farmers no longer run group activities on an ongoing basis with the work of the company, even though the management and members are complete. Fourth, savings and credit institutions have a large source of budget but in conveying the program to members, there are problems that affect the aspects of trust of members. Fifth, the Village Unit Cooperative institution at the village level does not get the trust of the community even though the Village Unit Cooperative provides small interest, and provides training programs.

To solve this problem, the village government formulated a policy with two aspects of development. The first relates to village development. By designing programs to increase the quantity and quality of village organizations, empower and be open to the participation of rural communities. Both financial aspects by encouraging community empowerment in increasing the economic potential in the Village of Teluk.

Economic potential in the Akit Village include Corn (400 Ha) Rubber plantation (200 Ha) Coconut (1200 Ha) and Sago which have not been identified by the Village Government. From this economic potential, the Akit tribe community is still classified as having a weak economy, it can be seen from the condition of the Akit community who still survive in a house less livable.

Referring to the findings of the problem in the study location as described above, this first year study attempts to formulate a (local) Public Organization development model with an emphasis on social capital and economic capital of the Akit tribe communities in Teluk village of Kuala kampar district. In accordance with the identification of social capital and factual problems in the field, it was determined that the most solutive institutional development was the development of economic institutions based on social capital with a collaborative pattern of entrepreneurship. This was determined because the results of observations and interviews showed that the attitude and mindset of the Akit tribe society were more pragmatic. Pragmatism is increasingly apparent when there are problems of production and marketing of economic potential in Teluk Village.



**Fig. 1 Model Of Economic Development Collaborative Indigenous Peoples (Akit) Based On Social Capital In Enhancing Regional Competitiveness**

Associated with a lack of knowledge in managing to increase agricultural production, actually it is not part of this research. Therefore, this study tries to present a solutive and applicable development model for tribal communities both in developing public organizations that can build trust, institutions and networks that are not only built inside but also built into partners who can make Akit villages and Akit tribe communities become more competitive.

Again discussing the conditions of a pragmatic society, it must be admitted that the people of the Akit tribe at this time are in an uncertain position. With the demands of daily living needs they should think and strive to maintain their lives, at least to fulfill basic needs (clothing, food, shelter). That is, the economic conditions that are left behind again become a common phenomenon found in the field. Therefore, the real challenges and demands are how to facilitate these tribal communities to achieve a good level of welfare.

The model of the development of public (local) organizations in the Akit tribe communities in the village of Teluk offered in this study is shown in Figure 5.1. This first model is the most urgent model to do. The most practical short-term goal of this model is to realize the economic resilience and stability of tribal plantation communities through the development of collaborative informal organizations based on capital/assets which have been the foundation of community expectations. Identification of community groups based on ownership of the main assets, namely the rubber plantation community, Sago plantation community, coconut plantation community and corn farmers, is also supported by the community as fishermen.

The output of the model offered for the short term is the realization of a community-based economic organization (based on capital owns) by making the Akit tribe community as a pioneer (agent of change). At the next level, the new institutions that have been formed are directed to participate in the production and marketing of economic potential. Whereas the outcome to be achieved is the economic stability of the community, because this is what has been desired by the community (pragmatism mindset) so that it will encourage a change from the Village Development to the Village that builds the Riau Region.

This model is an organizational development that strives to build the community from Button-Up and Top Down, where the Akit people already have social capital and economic capital, besides that, local wisdom already has the power to build a village by implementing a law number 06 year 2016 with a large amount of ADD funds and can create short-term (three-month) and long-term (8 months) employment in the top-down system every year, but still experience problems with Button-up development with the problem of participation and empowerment. Whereas the Local Government of the government must encourage the Village to build with Entrepreneurship method by conducting partnerships by building trusts, norms, networking to Private or Market and cooperating with universities in developing local potential both social capital and economic capital.

With the collaboration of social capital based on the local government and village government in building trust, networking and institutions to the market (City, Company, Entrepreneur) will make village production more valuable, and make the economic potential of the Akit tribe people which will be realized, the village will be built well in Riau in particular and the Republic of Indonesia in general.

## CONCLUSION

As a result, this research has been through theoretical and literary backgrounds. Search is social capital and management of human resources and their impact on institutional development. One of the main limitations of this work is that this research is not based on systematic literature search, but rather on thematic literature search. The theoretical framework is evaluated and suggestions for future academic research have been highlighted. One of the main findings of this study is that it emphasized the lack of strengthening of Akit tribe institutions.

Theoretical models include human capital and social development of institutional models that are competitive with local institutions. Other gaps identified are the similarity of the methodology used and the similarity of professional focus. Analysis In the process of developing public organizations at the village level is social capital that is able to become an entry point in developing the development of the Akit tribe, namely the kinship that is still very close and dominant in the socio-cultural system of society. Trust between individuals in tribal communities of Akit in the real environment is still high. However, in its development the trust decreases because there are some destructive events against the trust factor itself.

The model offered in the development of social capital-based institutions is the main essence in which networking is initiated by the village government and district governments in order to create public trust and markets for the potential of local organizations in general and the Akit tribe society in particular. When conduciveness has been realized, the steps to start the simulation and initiate the development of a specific community-specific organization are expected to run more effectively and conducively. This conduciveness is important because the majority are found lacking public trust in the village government program. As a result of lack of trust. In the end, the formulated organizational development model is a collaborative problem-solving system that covers the small group based on ownership of priority assets/capital that fosters the entrepreneurial spirit of local governments and village governments by becoming marketers for regional production sharing and building network trust in the business world. Through positive collaboration, it is expected to be able to trigger active participation from all existing stakeholders. The participatory collaborative model was applied by six parties, namely the Regional Government, Village Government, Akit Tribe Community, Private / Market, City and University.

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