

**Revitalizing Social Capital, Empowering Local Potentials:
Reducing Poverty in Forest Area at Bali Province**

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Abstract

The economic crisis in Indonesia since 1997 increased the number of poor people from around 27 million before the crisis to almost 40 million recently. The majority of these poor people are living in the village, either in forest areas or coastal areas. Indonesia has witnessed some fundamental changes in politics, economy as well as social affairs. Unfortunately, with such limited resources, these changes are sometime painful making it more difficult for villagers to cope with. As a consequence, tensions are mounting and social capital is loosening. When this type of capital is lacking, it is difficult for rural people to develop their own resources and lift themselves from poverty.

Social integrity variables such as trust, network and social norms play an important role in reducing poverty because in poor regions where natural and human resources are lacking, social capital often represents the only asset owned by households and society. Until recently, few attentions has been paid on the true meaning of social capital due to lack of data availability and problem associated with its measurement. This research attempts to bridge such a gap by conducting a study of social empowerment of households through social capital reinforcement for impoverished poor communities such as forest communities.

Based on those arguments, it is imperative to understand the link between social capital and other type of capitals to alleviate poverty in rural areas in Bali Province especially in forest area. This study, therefore, attempts to model such a link by means of quantitative and qualitative analysis.

The result show that In Bali Province, social capital can increase household income in three ways: (1) by improving individual participation in a social network so that reducing transaction cost which is important in improving people's earnings. (2) Improving people's participation in local network and reducing rent seeking behavior so that it would facilitate collective action, (3) extending network and enhancing the level of social trust so that making villager have access to education, capital and health services.

Introduction

During the last five years (2000–2005), productivity of dominant sectors in Bali province (agriculture; trade, hotel and restaurant; industries and services) has decreasing caused by security instability (boom blast and conflict). That is not

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only have significant impact on tourism sector, but also on other sectors. Decreasing the number of visitor who visit Bali have weaken tourism sector productivity, increasing unemployment and number of poor household. Until 2005, there is an increasing number of poor household (describe at Figure 1). Most of poor household in Bali concentrated in region that dominated by agriculture sectors, such as Residency of Karangasem, Buleleng, Jembrana, Tabanan and Bangli.

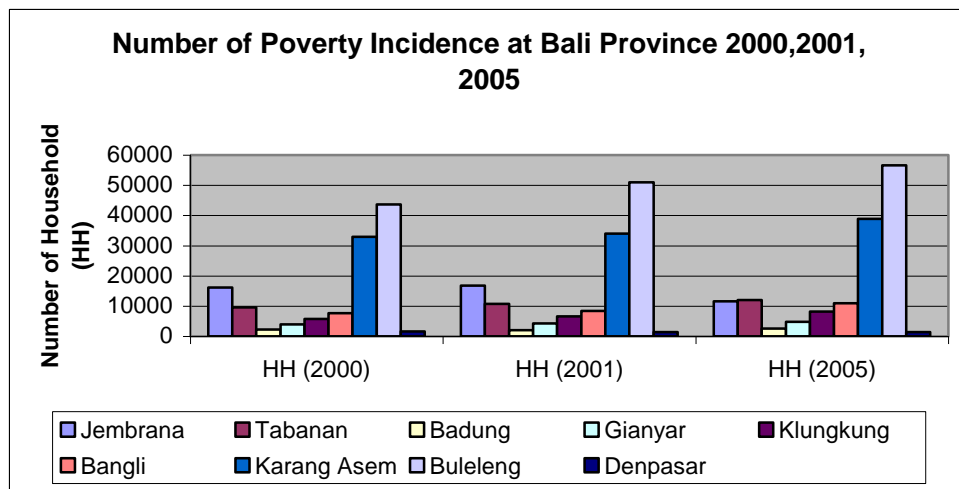


Figure 1 Growth of Number of poor household in Bali during 2000, 2001 dan 2005

As so far, poverty examination in Bali only focused on unavailability of traditional capital such as quality and quantity of physical, financial, human or natural resources (tangible resources). However, some research suggest that poverty also caused by lack of intangible resource such as social capital that including trust, norms and networks. Social capital will have significant effect on economic development by facilitating transaction between existing individual, household and group in a region. Social capital also facilitate improvement of poor community access on availability of education and health facilities and also capital supply.

Development is differing than growth where is development tending to focus on process that not only included quantitative growth but also qualitatively such as institution, organization and culture where the economic prevail. Therefore, regional development should including integrated planning between

physical, economic and social aspects. As so far, neglecting of social aspect is continuously conducting, in contrast with physical development such as road, telecommunication facilities, etc. This condition will resulting negative impact on local public socio-economic living that in turn will increasing number of structural and relative poverty.

Limited job opportunity for tourism sector in Bali has resulting decreasing employment percentage on age work resident, especially after boom blast incidence in 2002. In fact, decreasing of employment percentage in Bali has been followed by increasing number of poor household. Some social conflict frequently occur in Bali particularly related with public unconvinced on government performance and good will.

The conflicts is not only vertically in nature but also horizontally among members of *desa adat (desa pakraman)*¹ or between certain ethnic groups. The conflicts is significantly lowering Bali image in international market. The bad images will decreasing tourist visit and shortening their *length of stay* in Bali. Bali society that long time known has high tolerance according to universal norms such as *Tri Hita Karana*², has changing. Setia (2002) suggested that the changing tend toward worst condition. Dwiyanto (2002), stated that social, economic and political conflict was expected can be resolved by the existing traditional institution. However for Bali case, *desa pakraman* as traditional institution that long time has strongly binding society in Bali, unable to manage difference among the member so that oftentimes become the source of internal and external conflict.

Poverty that caused by development gap between sectors and region is more dangerous because triggering appearance social jealousy that in turn weakening social capital. Grootaert (2001) believed that poverty has close relationship with capital; it means that poverty elimination efforts can be conducted by social capital revitalization. Therefore, efforts to revitalize community social capital, particularly in poverty pocket regions in Bali is one alternative that should be paid attention and consideration as a base capital in

¹ *desa adat (desa pakraman)* is traditional organization in Hindu Community

² *Tri Hita Karana* is universal value that is taking care of relationship between human being with its creator, God, between human being and human being with its environment

achieving better living as stated in poverty alleviation strategy by poverty alleviation committee. Considering social characteristics to alleviate poverty was expected able to revitalize common culture where is the efforts can be conducted by strengthening institution, mutual trust, expanding network and strengthening norms that contain local wisdom.

Method and Data

This Paper presenting analysis result of social capital to solve poverty problems particularly relationship between social capital determinant and household income. The primary data collected from 50 peasant around forest area are consisted of qualitative and quantitative data and then will be statistically analyze. Test on relationship between social capital determinant and household income was carried out by t-student test.

Poverty

A large body of literature shows that poverty is caused by some factors, including :

- (1) Limited food supply and fulfilling nutrient requirement
- (2) Limited access on qualified basic health services and low health status
- (3) Low access on qualified and cheap both formal and informal education
- (4) Limited job opportunity and option to developing a business, limited protection on business asset, and limited work protection for child and women labor such as women migrant and household servant.

Groups that susceptible to be poor or experiencing poverty process are describe here under :

1. Rural community

The most valid simple assumption concerning about poor people is that generally they living in rural area with main livelihood in agriculture sector and others traditional economic sector.

For developing countries, the important aspect that should be considered for poverty problems is that most of the third world government devoted their attention to urban area with modern and commercial sectors.

2. Minority Ethnics and Indigenous people

Minor condition that experienced by minority ethnics and indigenous people in developing worlds is due to forms of socio-economic and socio-political discrimination. Tension among ethnics was developed because of existing gap in valuable resources ownership for example available job opportunity (the dominant ethnics usually dominate job opportunity). As the consequence, indigenous people and minority ethnics lives in absolute poverty.

Generally, around forest community is indigenous people with limited access on more developed region. The community has own norms to conserve environment as their local wisdom. In Bali, around forest community is indigenous people that long time ago stepping aside and hiding from other group attack. Centralistic development policy and forest management has neglecting the local wisdom values.

Religion and socio-cultural living of around forest community in Bali

Until 2003, forest area in Bali is not experienced significant change that is 130686.01 hectare or 23.24 percent of Bali Island. About 73.28 percent from the area is conservation forest. Just only 27629.22 hectare is production forest that divided into permanent production (1907.10, ha), limited production forest (6719.26 ha), and convertible production (19002.86 ha). The forest product are log wood. Until 2003, log wood production is sharply increasing to 951.41 m³ from 53.78 m³ in 1999. Increasing of log wood production is not a happy fact by reason that increasing wood production need long time period. The increase indicated that government policy is non sensitive on environmental problems. Forest *mismanagement* will suffer around forest community because should pay any risk as result of ecological destruction such as land slides and flood.

As so far, it was expected that 25 percent or 31817.75 hectare of inland forest in Bali has been converted. The forest conversion is due to illegal use of forest area by community group that living around the forest, illegal use for other forest sector development and illegal logging. According to Bali Forestry Office 2005, inland forest area is 127721.01 hectare or only 22.59 percent of total Bali

area that is 563286 hectare. This is indicate that Bali forest dominated by mangrove.

Bali forest is classify into three categories namely preservation forest, conservation forest, and production forest. Preservation forest area is 73.28 percent or 95766.06 hectare, functioned as preservation for water and soil, support living of flora and fauna habitat, support tourism (eco-tourism), cultural, health, education and research activities. Conservation forest is a forest to protect, conserve, and habitat for various kind of flora and fauna. The forest are located in national park of West Bali (TNBB), center of natural conservation area Batukaru Tabanan, around of Batur Bangli Mount, Natural tourism park of Bedugul and Sangeh, and national park Ngurah Rai Denpasar. Wide of conservation area is 26293.59 hectare or 20.12 percent. The last group is production forest that concentrated in residency Buleleng, 4.731,95 hectare, Residency of Jembrana (2.993,30 hectare) and the other residency with relative small area. Various tree are planted in this production forest including teak, pines, snorkeling, and others economic trees.

Condition of forest vegetation stand in Bali is classify to three kind. Anyway, forest destruction will having significant impact on increasing drought and landslides disaster. It was estimated that 3100 hectare (10 %) of preservation forest in residency has been destruct as result of illegal use by community. At present, it was estimated that 2 million hectare of forest has been destruct in Indonesia. Most of the area located in outside of Bali. Relative low of forest destruction in Bali has close relationship with religion-socio-cultural living of the community.

Community traditional organization and traditional norms that widely known as *awig-awig* is obeyed by Bali community, particularly in rural region. The *Awig-awig* prioritize on togetherness, congruence and harmonization in economic, ecological and social side. Eventually, *awig-awig* has binding Bali community as two coin sides, in one side has hamper certain group progress, and in other side muffle any existing conflict as result of socio-economic gap. Traditional and norms organization that still maintained are describe here under:

Banjar and Banjar Adat

In Bali, there is local community organization that relevant to decrease forest destruction such as *banjar*, *banjar pakraman* and *subak abian*. *Banjar* is a social unity on region unity basis. This social unity was strengthened by custom unity and holy religious ceremony. At mountain region, characteristics of *banjar* membership is only limited for any person whose born in this *banjar* region. This limitation makes strong binding among *banjar* member particularly for the specific one and will establish social capital bonding.

At certain time, as decide together in *Bale Banjar*, the *banjar* resident meet regularly and a *banjar* building owned use for member activities. *Banjar* headed by a *kelian banjar* that choose with certain period by *banjar* resident. *Kelian banjar* was responsible to manage government administrative affair where as *kelian adat* (*kelian banjar pakraman*) responsible to manage general affair that related with social and religious living of *banjar pakraman* member as a community. In the other hand, he or she also capable to solve custom problems. *Banjar* membership is decide on width of administrative region basis while *banjar pakraman* member is based on *Pura Kahyangan Tiga* coverage, praying place for *banjar adat* member.

Subak and Subak Abian

Subak abian usually more developed in around forest community than subak organization. Subak seem loose from Banjar and have the own leader. Member of subak abian is not necessary as banjar member because subak member is based on location of farm field. Particularly for subak, the membership is based on location of paddy field that located on the same irrigation channel. Therefore, not all of subak member live in a banjar.

In awig-awig subak, there is no special treatment for larger land owner. Each land width receive the same treatment on agriculture sector requirement. Breaking on awig-awig subak will impact on moral sanction enforcement such as excluded by other subak resident. The sanction is avoided by consideration that land that owned immobile asset is irremovable by the owner although the owner relocated.

Sekaha

Other than community organization, Bali also known has specific organization that focused on specific living namely *sekaha*. The organization has hereditary characteristics, however some of them is temporary. There is *sekaha* that functioning to make such a thing or ceremony related with rural/village, for example *sekaha baris* dance (group of tari baris), *sekaha teruna-teruni*. The *Sekaha* is permanent, however some of them is temporary, that is *sekaha* that established on special need basis, for example *sekaha memula* (planting group), *sekaha manyi* (harvesting group), *sekaha gong* (gamelan groups), etc. The above *sekaha* usually is groups that loose from banjar or village organization.

Gotong-Royong

In Bali community living, there is help each other system (*nguopin*) that covering wet field and farm activities (planting, grubbing, harvesting, pest mitigation), household activities (home roof repair, wall, digging well, etc), in family ceremony, or accident and died. *Nguopin* among individual usually based on understanding that give energy aid should be paid with the same aid. Besides *nguopin*, there is help each other activities among *sekaha*. The similar way is known as *ngedeng* such as on a gamelan group involved in a dancing on odalan ceremony. The last help each others form is *kerja bhakti (ngayah)* for religion, public and government activities. Bali's community recognizing the existence of *desa, kala, patra*. The awareness creating variation and local difference. Religion of Hindu which have old integrated into Bali society is feeling as element that strengthening the existence of awareness of unity. Influence difference of Java-Hindu culture in various area in Bali since Majapahit era, creating two Bali society form, that is Bali-Aga society and Bali-Majapahit society. Generally, Bali-Aga society inhabiting mountain rural area while Bali society of Majapahit generally developed in plain area as the largest part of Bali population. Most of mountain that represent vast forest, lengthwise from west to east, divide Bali into two part: relative narrow plain in the north and the larger ones in south part. Till in this time, vast forest in Bali still maintained and conserved because most of large Balinese temple, as place for praying of Hindu society build in forest area, for example Pura Pulaki (Pulaki Temple), Pura Batukaru (Batukaru Temple), and

the biggest temple in Bali, Pura Besakih (Besakih Temple), which located in Glorious hillside of Gunung Agung (Agung Mountain).

Social capital and around forest community welfare in Bali

Preserved of forest environment in Bali has close relationship with society norms. The norms, together with network and trust, establishing social capital in Bali. Utari et al. (2007) suggested that social capital in underdeveloped regions in Bali determined significantly by the norms, not by trust. For the reason, lowering trust do not at moment's notice weaken social capital in underdeveloped region.

The developed model to analyze relationship between social capital with household income is refer to Grootaert model (1999) which adapted for condition of socio-cultural of Balinese. Social capital will be estimated by means adherence to group norm that imply on social expenditure level of each household (*sexp*). Whereas household welfare level estimated by amount of family income.

Table 1 Analysis result of relationship between various Social capital variable and Household income

Variable	Regression coefisien with TSLS	
	Income (<i>inc</i>)	Social capital (<i>sexp</i>)
Constant	-223092.9 (33847)	136352.7 (186217)
number of employed family member (<i>emp</i>)	117195.2** (64066)	
network density (<i>nw</i>)	13092.18 (37242)	-3381.959 (55275)
Participation in group decision making (<i>part</i>)	419808.9*** (76696)	
Social capital (<i>sexp</i>)	2.388** (1.277)	
Dummy region (<i>wil</i>)		70173.84*** (22439)
Income (<i>inc</i>)		0.040402*** (0.017)

source: analysis of primary data, 2005

number in () shows *standard deviation*

***significant at 5 percent ** significant at 10 percent * significant at 20 percent

The analysis shows that household welfare level (*inc*) is significantly affected by adherence to norm (*sexp*), number of employed family member that

(*emp*), participation in the most important organization (*part*) and network density (*nw*). However, from the four variable, only three variables that is number of employed family member (*emp*), participation in the most important organization (*part*) and adherence to norm (*sexp*) that shows significant effect. Variable of employed family member has positive effect on welfare level. The larger employed family member the more welfare the household. Variable of adherence to norm (*sexp*) has positive effect in household welfare level. Addition of one thousand rupiah for social capital expenditure will increasing household income Rp. 2.388, *ceteris paribus*. This result strengthening previous research that was conducted partially where is Grootaert (2001) and Brata (2004) stated that participation makes larger community access on financial source therefore improving the welfare.

Conclusion

Poverty, including around forest community poverty, still as issues that should be treated specifically. Negligence in managing the poverty is not only causing a gap but also tend to push the society to do illegal logging and use of forest. Adherence to norms and broadness of network in fact will give positive influence to household income level in around forest community in Bali.

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