

STRENGTHENING SOCIAL CAPITAL AS A FACTOR OF SUPPORTING ECONOMIC DEVELOPMENT COOPERATION ZONE IN INDONESIA, MALAYSIA AND THAILAND.

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ABSTRACT. *The main objective of stipulating IMT-GT subregional cooperation is expected to accelerate economic growth toward a prosperous, developed and peaceful region with a better quality of life. As understood together, the development of subregional economic cooperation areas is an integral part of equitable development efforts in a sense Territoriality.*

IMT-GT subregional cooperation has opened up enormous opportunities for business actors in increasing the economic index in the industry sector that is more optimal and mutually beneficial with neighboring countries, both individually as well as provinces together. Through IMT-GT subregional cooperation, many agreements have been reached and subsequently realized in various operational activities involving the government and especially the business world of the countries involved in the cooperation. Nevertheless, in its journey there are still many obstacles and problems encountered in realizing a mutual benefit pattern among mutual parties.

Subregional cooperation undertaken by the state of Indonesia with some neighboring countries can be interpreted as a new map in improving the national economy as it increasingly encourages the emergence of differences in growth between regions and communities. People in the region's economy are finding it increasingly difficult to contribute to an increase in the economic balance, as a result of imported products coming from neighboring countries that can quickly dominate the market because it is much better quality than local products. In addition, the high consumptive lifestyles of the community in the region leads to higher dependence on the supply of products from abroad.

A. PRELIMINARY

Growth Triangle formation (*Growth Triangle*) of Indonesia-Malaysia-Thailand *Growth Triangle* (IMT-GT) began with a ministerial-level bilateral and high-ranking official meetings in Malaysia's Langkawi Island, on July 20, 1993. The cooperation of the triangle of growth involves three provinces of Indonesia namely North Sumatera, Aceh, and West Sumatera,

Malaysia's four states namely Perak, Penang, Kedah, Perlis and fourteen provinces of Southern Thailand. Structurally IMT-GT cooperation mechanism is divided into two levels, namely Official Session High (*Meeting- Senior Officials SOM*) and the *Business Council Meeting* (BCM). SOM composed of officials from the government Department of Trade and Industry and some of the core members of BCM, while BCM consists of Entrepreneurs involved in IMT-GT activities. Where SOM meeting preceded by a meeting once a year with BCM (*Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)*). [Http://www.kemlu.go.id/](http://www.kemlu.go.id/).

The main objective of stipulating IMT-GT subregional cooperation is expected to accelerate economic growth toward a prosperous, developed and peaceful region with a better quality of life. As commonly understood, the development of subregional economic cooperation areas is an integral part of the efforts of equitable distribution of development in the sense of territoriality. Subregional cooperation involving Indonesia, Malaysia and Thailand can essentially be part of the collective agreements that have been formulated closely with the deregulation of potential cooperation areas, such as in the agriculture sector (mainly fisheries and plantations), the tourism sector, the employment sector and the energy sector. This is certainly as a follow up of the implementation of the 12th ASEAN Summit in Cebu in January 2007 had agreed a "*Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015*". In that context, the ASEAN Economic Ministers has instructed the ASEAN Secretariat to compile a "*Blueprint for the ASEAN Economic Community (AEC)*".

The AEC Blueprint contains a strategic work plan in the short, medium and long term towards ASEAN economic integration:

- A. Towards a *single market and production base* (current free trade for the goods, services, investment, skilled labor and capital);
- B. Towards the creation of regional economies with high competitiveness (*regional competition policy, IPRs action plan, infrastructure development, ICT, energy cooperation, taxation, and the development of SMEs*);
- C. Towards a region with equitable economic development (*region of equitable economic development*) through the development of SMEs and programs of the *Initiative for ASEAN Integration (IAI)*; and
- D. Towards the full integration of the global economy (coherent approach in external economic relations and to encourage participation in the *global supply network*).

In line with its development, IMT-GT cooperation subregional, especially for Indonesia experienced a significant increase, it is seen from the additional of provincial entering into the cooperation area. At this time the region included into the zone of subregional cooperation IMT-GT are 10 provinces on the island of Sumatera (Aceh, Bangka-Belitung, Bengkulu, Jambi, Lampung, North Sumatera, Riau, Riau Islands, South Sumatera and West Sumatera). These areas, is viewed by the government of Indonesia has a strategic potential in strengthening the position and competitiveness of the country. Various initiatives underlying the growth of the region in Indonesia, especially in the area of Sumatera island as an area of cooperation IMT-GT, such as Implementation Blueprint 2012-2016 related to Green Cities project In Medan, Batam, Melaka, Songkhla, and Hat Yai. Where the project is based on the framework of sustainable urban development (*Sustainable Urban Development Framework*). In addition, cooperation in the field of social and cultural through scholarship programs, training, exchange students and teachers by UNINET is also done to promote *People-to-people connectivity* In subregion.

IMT-GT subregional cooperation has opened up huge opportunities for the business actors in improving economic indices in the industry to be more optimal and mutually beneficial relationship with neighboring countries, both individually or jointly. Through IMT-GT subregional cooperation, many agreements has reached and subsequently embodied in various operations that include government and especially the business world of the countries involved in the cooperation. Nevertheless, the journey is still encountered many obstacles and problems faced in creating a pattern of mutually beneficial cooperation (*mutual benefit*) between the parties to cooperate.

The patterns of cooperation wrapped in IMT-GT deal has not shown the cooperation towards complementary (complementary) as expected, especially in improving the economic development of micro society. It is seen from the profits earned on their subregional cooperation are structurally only felt by certain parties, especially among businessmen and officials who have authority In capital management. While on the part of society that should be a part of it shall come to feel the impact of the region's economy by increasing tarap life, it remained at a minimal level of welfare. The development of the region into an economic area should provide a very wide opportunity for all people to participate in economic activity, but inversely proportional to the fact.

Subregional cooperation undertaken by the state of Indonesia with some neighboring countries can be interpreted as a new map in improving the national economy as it increasingly encourages the emergence of differences in growth between regions and communities. People in the region's economy are finding it increasingly difficult to contribute to an increase in the economic balance, as a result of imported products coming from neighboring countries that can quickly dominate the market because it is much better quality than local products. In addition, the high consumer lifestyle public areas contributed to greater dependence on the supply of products from abroad.

The picture, as if a bleak portrait that is being faced by people who are in the central areas of economic growth. The public gap is increasingly apparent, when a region is built into an economic area, the tendency for the emergence of dichotomy among the open society, ie between the poor and the poor. Bintarto (in Khairuddin, 2000), states that economic growth alone does not provide a solution to the problem of poverty in developing countries, in fact it widens the gap between rich and poor.

Therefore, it is necessary to restore the position of society as an object of economic development itself in order to achieve a fair and independent welfare level. Society is no longer a loyal audience who witnessed every economic development of the region, but must be the main character that determines the direction and purpose of economic development. The conception of social capital improvement on community power is seen as one of the strategies that can anticipate and mitigate the impact of the gap resulting from global economic development as a form of IMT-GT subregional cooperation.

The views on social capital as proposed by Fukuyama (1999) stated that social capital plays a very important to the functioning and strengthening of modern society. Social capital is a necessary condition for human development, economic development, social, political and democratic stability. Various problems and deviations that occur in various countries the main determinant is the dwarf of social capital that grows in the community. Widespread understanding of freedom and globalization has brought about great changes in life, both in terms of social, political, economic, and cultural, but on the other hand appear consequences to be faced by the advent of changes in values and attitudes adopted by the people, for values

which has been the guideline will conflict with the influence of new values that came from the outside.

Social capital as a driving force in society has a very potential role in its relation to human development because several dimensions of human development are strongly influenced by social capital, among others, the ability to resolve the complexities of common problems, to encourage rapid change in society to foster a collective awareness Improve the quality of life and look for opportunities that can be utilized for prosperity. It is awakened by mutual trust, cohesiveness, proactive action, and internal-external relationships in building social networks supported by a spirit of virtue for mutual benefit as a reflection of the power of society.

The utilization and strengthening of social capital as a resource used for the public interest or for the benefit of individuals can be a valuable means to combat the many social disturbances inherent in modern society, one of which as a framework for anticipating social change resulting from the entry of outside ideas or influences. Given the established and well-organized social capital, it can realize the people's ability to protect and form a good image in strengthening a certain set of norms or behaviors, because social capital can facilitate cooperation and mutually supportive relationships in a society based on taste Mutual trust and mutual benefit to achieve mutual progress.

Based on the description above, in relation to what was said about the impact that occurs on the Establishment of Growth Triangle (*Growth Triangle*) IMT-GT raises a question about how the strengthening of social capital in supporting the economic development zone of cooperation between Indonesia, Malaysia and Thailand (IMT GT).

B. DISCUSSION

The theory of economic growth that we know always mentions three capital which become the key of success of development of a region i.e.: natural capital, physical capital (money and building), and human capital. The three kinds of capital are as if the determinants of the success of development, so that each country ideally has the three capital (Iyer 2005). Such analysis is very common for economists, especially from the Neo-classical school. Escape from this analysis is the interaction of the economic actors in the market. Interaction may include efforts to build the network, transactions and *entertainment* habitual process in the business world. Perhaps this interaction is considered a cultural and social area that has no direct relationship to productivity so neglected in neoclassical economic analysis. Cultural relationships with economic prosperity have actually been written by Max Weber in his classic work on Protestant Ethics and Capitalism. After that, came some works about cultural and economic relations but not as famous as Weber's work. In essence, cultural studies in development emphasize that the success of a society depends not only on natural resources but the resources of civil society contributing to economic growth (Schneider 2000).

This suggests that there are other resources beyond the physical capital and human capital that play a role in economic development. Although initially there was a difference of opinion between economists and other social scientists about the role of non-economic factors, but in the end they agreed that what often overlooked in the analysis of the economic growth is "social capital" (*social capital*). Social capital (can be part of the culture) plays an important role in society as a social asset that allows individuals and communities to work more efficiently. If a society succeeds in raising strong trust between members, they can complete the work with less money capital.

The definition of social capital vary, but in general, social capital can be defined as an institution, relationships, attitudes and values that facilitate interaction between individuals and between groups and even between countries in order to increase prosperity through economic development and community development itself (Iyer 2005). Talking about the definition of social capital there are 3 important elements that often appear in every definition namely, network, norm, and trust. Here social capital is distinguished by two other capital such as physical capital, and human capital. The physical capital itself is still distinguished between money capital and building capital. In addition, social capital is also divided back into 3 types of capital namely, social capital bonding, social capital bridging, and social capital linking. Social capital bonding makes a strong social barrier to its members, bridging social capital allows group members to interact with other groups, while social linking capital enables relationships among members in different social strata.

The emphasis is to build a network of social capital (*networks*) and their understanding of common norms. But be aware that understanding of shared norms is not enough to guarantee cooperation among individuals because there may be a disobedient (*moral hazard*). Therefore it takes social sanction that is informal so that the quality of relationships and social interaction is maintained properly.

From various descriptions above the stresses of various definitions of social capital are as trusts, norms, and networks that enable members of the community to act collectively. The definition of social capital that has been described is simple but it is necessary to critically see it. There are several things to note with the various definitions we have learned. First, the above definition focuses on the source of social capital and not the result of social capital (Portes 1998). Norms and networks can be considered as a source of social capital. Of course here the characteristics of social capital such as trust and reproduction are already included in it. Secondly, the various definitions above open opportunities for the inclusion of various dimensions of social capital that allows understanding of social capital becomes more complex. In addition, there is a theoretical assumption that every community has equal access to social capital.

The strengthening of social capital as an additional factor in the economic development zone of cooperation between Indonesia, Malaysia and Thailand (IMT-GT), are focused on the role of social capital in community economic development, among others:

1. Social Capital Community Identity in Improving Capacity

According Tajfel (1982), *social identity* (social identity) is part of the concept of a person who comes from their knowledge of membership in a social group together with the value and emotional significance of that membership. *Social identity* with regard to the involvement is a sense of caring and pride of membership in a particular group. According to Jacobson (2003) social identity theory focuses on individuals in perceiving and classifying themselves based on their personal and social identity. Through the process of social comparison (*social comparison process*), those who have in common is categorized categorized and labeled as part of the group (*ingroup*), whereas different people categorized as an outside group (*outgroup*) (Hogg & Abrams, 1988).

From that view, it provides an understanding that social identity is concerned with the involvement, caring and also pride of membership in a particular group. While the relation to the strengthening of social capital in economic development community, which emphasizes on the role of the community in the area of economic growth continues to have a collective

consciousness in maintaining and sustaining all activities associated with increased durability and usability based on the characteristics (custom-culture) local community. During this time, every region in Indonesia has a number of excellent characteristics in terms of customs and cultural dimension ap restricted welfare, namely the existence of community empowerment activities.

As empowerment in society by, Ife (1995) stated : *Empowerment is a process of helping disadvantaged groups and individual To compete more effectively with other interests, by helping them to learn and Use in lobbying, using the media, engaging in political action, understanding How to 'work the system,' and so on (Ife, 1995).* The above definition defines the concept of empowerment (*empowerment*) As an effort to give autonomy, authority, and trust to each Individuals within an organization, and encourage them to be creative in order to be able to Complete the task as best as you can. On the other hand Paul (1987) in Prijono and Pranarka (1996) says that empowerment means sharing power which is just in order to increase political awareness and power in groups Weak and enlarge their influence on "the process and results of development. Empowerment of society, requires the emergence and development of initiative, strong will and movement from internal parties. This empowerment pattern is called empowerment with a functional approach by promoting the cultural aspect. Functional approach provides an opportunity for optimization of cultural value system, local wisdom for The empowerment of success.

The effort to empower the community can be seen from three sides, namely (Sumodiningrat, Gunawan, 2002); *First*, create an atmosphere or climate allowing potential developing societies (*enabling*). Here is the starting point that is the recognition that every human being, every society, has its potential to be developed. That is, there is no society at all without power, Because otherwise it will be extinct. Empowerment is an effort to Build that power, by encouraging, motivating, and awakening Awareness of the potential it has and seeks to develop it.

Second, strengthen the potential or community-owned power (*empowering*). This framework required more positive steps, apart from just creating a climate and atmosphere. Retrofitting includes concrete steps, and involves the provision of various inputs (input), and the opening of access to the various opportunities (*opportunities*) that will make people become empowered. Empowerment includes not only the strengthening of individual members of the community, but also its pranata. Embedding modern cultural values, such as hard work, thrift, openness, and responsibility are central to this empowerment effort. Likewise renewal of social institutions and their integration into development activities and the role of society in them. The most important thing here is the increase of people's participation in the decision-making process that concerns itself and its people. Therefore, community empowerment is very closely related to consolidation, culture, and practice of democracy.

Third, also contain empowering sense to protect. In the process of empowerment, it must be prevented that the weak become weakened, because of the lack of empowerment in the face of the strong. Therefore, the protection and protection of the weak is very basic in nature in the concept of community empowerment. Protecting does not mean isolating or masking the interaction, because it will only dwarf the small and weaken the weak. Protecting should be seen as an attempt to prevent uneven competition, and strong exploitation of the weak. Community empowerment is not to make people become increasingly dependent on a variety of granting programs (*charity*). Because, basically, what is enjoyed should be generated on its own (the results can be disagreed with others). Thus the ultimate goal is the community's

independence, enable and develop the ability to advance themselves toward a better life on an ongoing basis.

2. Social Capital As Glue Community Interest

Social capital as the "glue" that holds society as a form of reciprocal relationship patterns or social solidarity and the community can do as a bonding and social obligations. Social capital can become the glue and binder of community members because of the similarity of interest to maintain the existence of the group. This strength benefits each group member to express the problems, where individual member issues become part of the group problem, the members feel facilitated and provide a sense of security And comfortable. In this conception, see the role of social capital, especially in people who have economic activity in order to always be protected and maintained its sustainability as an economic power. As well as the perpetrators of a cottage industry or small industry players who are members of the group Micro Small Medium Enterprises (SMEs) that have achieved a kind of limited capital resources or assets continue to serve as the area to be preserved as a form of the peculiarities of the region.

The form of the power of social capital in this concept is confined to the dimension of group cohesiveness. The high cohesiveness in this group leads to high fanaticism, tends to be closed, but the individual feels the value of collectivity exceeds the value of the individual. Each individual can take advantage of the potential of togetherness in gaining support and *reference* in various social activities. Any individual who feels his identical, same religion, identity or identity has a high sense of moral duty to help each other, helping and even giving and receiving each other. The social capital looks at individual and community contributions can open up early opportunities to access other capital potentials, as well as strengthen and develop relationships among other groups. According one of the power and energy of social capital is the ability to bridge or connect the relations between individuals and groups of different origin identity. Kek uatan on social capital disni konsepi capital, is based on trust and norms that exist and has built up over the years. The ability of social capital as the glue of society, in essence opportunities out information, so that the potential and opportunities of a community externally accessible.

Social capital is always characterized by a tendency to exchange goodness among individuals who are part or members of the network. This reciprocal relationship can also be assumed as complementary and mutually supportive of one another. Social capital is not only found in established or established community groups. In groups with social problems, social capital is one of the capital that makes them strong and able to live their lives.

3. Social Capital as Foundation for Community Economic Development

The application of populist-based economic policy to its right focuses on the goal of reducing poverty and unemployment, reducing inequalities between regions, improving the quality of human life as reflected in the fulfillment of social rights of the people, the enhancement of environmental quality and the management of natural resources and the infrastructure adequate. As known, the economic activity is always in the form of cooperation in the sense of competition and mutual assistance among the perpetrators of any motive behind it. On the other hand, such cooperation requires trust that in the modern economy can be replaced by formal mechanisms to prevent fraud such as the contract system. Social capital as a resource means that the community is not a product or a result of economic growth, but a precondition for achieving economic growth.

While in the context of economic empowerment, social capital development is based on the following assumptions: *First*, social capital are in the entire linkage of economic, social and political and social relations, which affect how the market and the state work. *Second*, the social capital, a stable relationship between actors, can encourage the effectiveness and efficiency of both collective and individual behavior. *Third*, social capital in a community can be strengthened, but it needs the support of other resources. *Fourth*, in order to create social and institutional relationships that both the members of the community should support. (Syahyuti, 2008).

Therefore, the conception of social capital is used as the foundation for the growth of community economic development, is the emphasis on the strong desire of the group members to get involved and take action for the group is one of the elements that are important in social capital. Proactive actions are not limited to participation in the sense of presence and belonging to a group but rather a real contribution in various forms. Proactive action in the context of social capital is done by members not solely to increase material wealth but to enrich kinship relations, increase kinship intensity and realize common goals and expectations. Strong attachment and mutual influence between members in a community becomes a driving force while allowing each member to act proactively. Proactive action can also be interpreted as an effort to share energy among members of the community. Thus all forms of economic development that occur in a region, will always be determined from the stability and existence of social capital in the community. Various empirical evidence that people with *levels higher social capital* will create a variety of advantages. Achieving a significant increase in social capital requires the support of attitudes, behaviors, structures, norms, and cultures.

C. CONCLUSION

From the description, the conclusions on the strengthening of social capital as an additional factor in the economic development zone of cooperation between Indonesia, Malaysia and Thailand (IMT-GT), are focus On the role of social capital that constitutes proactive community engagement activities. This means that the community should be able to feel the benefits of social capital, such as: increasing insight, experience, harmony, community self-reliance, environmental sustainability, unity among citizens, experience exchange, cohesiveness, friendship, program sustainability, communication enhancement, community aspirations, society increases.

Meanwhile, related to the economic development as part of the agenda of the IMT-GT subregional cooperation as an opportunity that can be exploited by local people as a vehicle to bring a variety of potential possessed by the people in order to be actively involved as targets as well as development actors. Community involvement at every stage of the development of the central area of economic growth, is one of the keys in improving and realizing prosperity equally, fairly and wisely.

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