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SOCIAL CAPITAL CONTRIBUTION IN THE CONTINUOUS STRATEGY OF JENGKOL MANUFACTURERS IN THE COVID-19 PANDEMICRusmaniah¹, Dedy Ari Nugroho²¹*Social Studies Education Department, FKIP, Lambung Mangkurat University, INA*²*Pancasila and Civic Education Departement, FKIP, Lambung Mangkurat University*

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ABSTRACT

The COVID-19 pandemic has an impact on the sector in Indonesia. One of them occurred in jengkol producers in Pingaran village, Banjar Regency, which decreased by 50%. This study aims to describe the social capital that exists in the lives of jengkol producers and the contribution of social capital in the jengkol business continuity strategy during the covid-19 pandemic. That approach is qualitative. Collecting data through in-depth interviews, observation, and documentation. Data analysis went through the reduction, presentation, and conclusion stages and was finally verified. The benefit of this research is that it can determine the contribution of social capital and strategies in maintaining a business amid the covid-19 pandemic. The results of the study explain the elements of social capital that are formed, namely networks, norms, and trust. The most dominant element of social capital in the jengkol business is the network element. The strategies carried out by jengkol producers in business continuity include good relations between fellow jengkol traders, using secret ingredients, expanding marketing networks, and using government funding as a solution for capital continuity.

Corresponding author.E-mail addresses: rusmaniah@ulm.ac.id.

PRELIMINARY

Corona Virus Disease is a virus that originally broke out in China, precisely in Wuhan in December 2019 so this virus is called Covid-19. General clinical symptoms that occur in Covid-19 positive patients vary, these symptoms include fever, dyspnea, dry cough, muscle aches, fatigue, and (Lapostolle et al., 2020). Covid-19 is increasing spreading to several countries starting in early 2020 and then entering Indonesia since March 2020. On March 11, 2020 WHO has decided that the COVID-19 outbreak is a pandemic (Syaharuddin, 2020). Covid-19 not only attacks health but also attacks the economic sector in Indonesia. Covid-19 has had the impact of an economic downturn in Indonesia, including dropping the rupiah exchange rate, rising prices of goods, especially medical equipment (Zahrotunnimah, 2020)

The performance of Indonesia's national economy due to COVID-19 affects employment. The policy set by the government as an effort to suppress the spread of COVID 19 is by regional quarantine such as "social distancing" and "working from home". This policy raises new problems because it cannot be applied to all sectors, especially those with low incomes. This causes space for movement to be limited to earn a living (Nasruddin & Haq, 2020). Workers in the informal sector of Small and Medium Enterprise (SME), especially those who are middle to lower and rely on daily income, choose to continue to carry out economic activities even though they face various kinds of risks during the pandemic. The decline in the number of consumers and the difficulty of bringing in raw materials due to social restrictions are inhibiting factors for business continuity.

SME has an important role in the economy of a country, including Indonesia. Indonesia is a developing country that should make SME as a means in the economic aspect to have good performance in the form of high productivity and be able to live amid other big businesses. The role of SME in the economy is marked by their ability to support large businesses such as suppliers of raw materials or raw materials (Subiyakto & Mutiani, 2019).

Based on the BPS report published in August 2020, it states that 3 main factors are being faced by Micro and Small Enterprises (SME) affected by the pandemic and Large Scale Social Restrictions (PSBB), namely a decrease in demand due to customers affected by COVID-19 (78.35%), business partners who also experienced the impact of covid-19 as a result of which operations did not run smoothly (56.80%), problems in terms of finance or capital

(62.21%), and as many as 84.20% of Micro and Small Enterprises (SME) there was a decline in income (Statistics, B. P, 2020).

One of the SME who are feeling the impact of the pandemic is culinary traders. Especially in South Kalimantan, traditional culinary traders who have been affected by the pandemic are jengkol producers in Pingaran village, Banjar district. Initial observations in April 2021 showed experienced traders a decline in turnover and the jengkol that was sold did not run out in a day. However, producers must still be able to survive for the sake of turning the wheels of the economy and adapting to the current new normal conditions.

In carrying out a business, a business continuity strategy is needed which is viewed from the aspects of marketing, funding or capital, production, human resources (Widodo, 2012). This aspect is supported by the presence of capital. Capital in a business is not only financial capital and labor capital but also in the form of non-consumable capital, namely social capital. According to the positivist approach, social capital is a social network that contains reciprocal relationships to build trust who are members of the group (Mutiani, 2019). According to Putnam, social capital is part of social life in the form of networks, norms, and trust (Santoso, 2020). These three elements encourage participants to work together as community members to achieve common goals.

Previous research on vegetable traders at the Manado Bersehati market (Purwanto & Tumengkol, 2019) showed the importance of the role of social capital in business continuity. The forms of social capital that exist in the Healthy market include bounding social capital which can become an adhesive for fellow vegetable traders because of a sense of togetherness to face difficulties, bridging social capital can establish relationships with suppliers, collectors, farmers, and retailers making it is easier to obtain and distribute a variety of vegetables, and social capital linking to the cooperation of market managers and vegetable traders to facilitate the sale of vegetables in the market. The existence of social capital is a force to facilitate business so that the common goals of vegetable traders in the continuity of their business can be achieved.

Subsequent research on street vendors in the pandemic era (Hasanah et al., 2020) shows that the social capital built by street vendors can help maintain business in the pandemic era. The social capital that exists in street vendors is relationships with other traders, suppliers, customers, families, parking attendants, local residents, as well as RT and PKK social groups. The turnover of street vendors has decreased due to the impact of the pandemic, making street vendors have to have strategies in business continuity, one of which is by relying on social

capital, namely expanding social networks to increase customers, cooperate with other traders, reduce the amount of usual production and reduce demand for goods from suppliers. This shows the linkage of social capital in business continuity to be able to survive and run smoothly. Based on previous studies, it can be seen that social capital plays an important role in business continuity. This study will explain how jengkol producers in Pingaran village build social capital in business continuity during the covid-19 pandemic.

RESEARCH METHODS

This study used a qualitative method. Qualitative research was chosen to understand the social conditions of jengkol producers by describing in detail and depth about the real conditions that occur in the field. The source of the data comes from the informant, namely the jengkol producer in Pingaran Village. Primary data was obtained through interviews. Another primary source is from observation and documentation in April 2021 in Pingaran Village.

The data analysis used in this study is the interactive model of Miles and Huberman, consisting of 3 steps of analysis including data reduction, data presentation, and data verification (Nugrahani, 2014). Reduction of data by copying the results of interviews from the recorded form into written form to then be reduced according to the data required for social capital in the business continuity strategy of jengkol producers during the covid-19 pandemic. Then the stage of data presentation is carried out with narrative texts and descriptions of social capital in the business continuity strategy of jengkol producers during the covid-19 pandemic. The next stage is concluding (verification) to answer the formulation of problems regarding social capital in the business continuity strategy of jengkol producers during the covid-19 pandemic.

RESEARCH RESULTS AND DISCUSSION

Pingaran village is located in Astambul sub-district, Banjar district, South Kalimantan. Pingaran village is also called jengkol village because the majority of residents have their main job as jengkol producers. There are 3 RT whose residents have jobs as jengkol producers, namely RT 3 with 1 family, RT 7 with 8 families, and RT 4 with 3 families. Based on the results of an interview with informant Mama Hani (39 years old) that "the jengkol business that I am currently in is a hereditary business from my grandmother" (interview 20 April 2021). Likewise, informant Amang Madi (35 years old) said that "the jengkol business has been around for 50 years even before I was born." (interview 20 April 2021). From the results of the interview, it can be seen that the Jengkol producer business in Pingaran village has been

established for decades which is a family business passed down from generation to generation. In maintaining business continuity for a long time, social capital is certainly needed.

Social capital is part of social life, instant informal norms that lead to mutual cooperation in favor of two or more individuals (Santoso, 2020). The social capital of jengkol producers in Pingaran village is formed by relationships between parties who have mutual interests, such as between producers, between producers and suppliers as well as between producers and retailers or customers. The three elements of social capital that encourage cooperation are in the form of networks, norms, and trust.

First, is the element of social capital, namely the network. The network is a system of communication channels to protect interpersonal relationships that are closely knit and extensive (Santoso, 2020). The network owned by the jengkol producers has been formed since the beginning of the jengkol business they run. The social network owned by jengkol producers makes it easier for producers to exchange information, such as the price of raw materials which is not fixed. A network that is formed from good relationships will prevent conflicts even though in business there is still competition. However, the competition that occurs is carried out healthily as stated by BM that they remain in harmony even though the efforts they make are the same as being a jengkol producer, but after all, the name of the business is still healthy competition, as they emphasize, namely the taste of lalaan (jengkol coconut milk sauce) because every producer has a secret spice.

Based on the results of an interview with Mama Hani (39 years old) that "Usually we place orders per 100 kg but after being weighed again it is usually more than 5 kg and is not a problem by the supplier." (interview 21 April 2021). In addition to fellow jengkol producers, social networks are also formed between jengkol producers and jengkol suppliers. Good relations with suppliers facilitate business continuity in terms of ordering raw materials, where jengkol ordered in large quantities even though the scales are shrinking or becoming more than ordered, is not a problem for suppliers.

Social networks are also needed in terms of capital. Business capital includes all kinds of things that are used and how to run them. Capital is a tool used to support the sustainability of a business. The increasing number of consumer demands for an item, the more capital needs for the business will be (Guna & Sampurno, 2018). So far, the capital used by jengkol producers is from family and personal savings. Then it is used to run a jengkol business, recording income and expenses so that profits or losses can be seen. The continuity of capital is strongly influenced by the business management of jengkol producers, namely by

minimizing expenditures so that the circulation of capital continues to run smoothly for rotation.

During this covid-19 pandemic, producers admitted that there was a decline in turnover of up to 50%, which affected the capital turnover they used. During the COVID-19 pandemic, income is reduced so that capital will be used for daily needs. Based on the results of interviews with informants Amang Madi (35 years old) that "at the beginning of the covid-19 pandemic the government helped with capital, namely the existence of capital assistance worth 2.4 million Rupiah, but in the second wave of 1.2 million it was no longer available." (interview 21 April 2021). The government in this case helped MSMEs at the beginning of the pandemic so it was quite helpful to do business.

Lack of capital during the COVID-19 pandemic made jengkol producers make changes in the business system, namely by reducing the amount of supply of raw materials for production to minimize losses such as the remaining jengkol that was not sold to retailers and customers, resulting in a decrease in the quality of the taste of jengkol and lalaan which later would also will affect customer trust. A good relationship with raw material suppliers makes it easier to confirm the procurement of goods with new agreements. Informant Mama Mail (45 years) revealed that "we usually order 100 kg of raw materials every day, during the covid-19 pandemic the production is reduced to 100 kg, it can be produced for 3 times and delivery to retailers in Banjarmasin is also done intermittently, if before the pandemic. covid 19 is done every day" (interview 21 April 2021). Capital in entrepreneurship is a supporting factor for business success. Capital is used for costs in purchasing raw materials, production, marketing, and labor wages. A good design and allocation are needed so that the capital used will be effective.

Capital turnover will be smooth with good marketing. Marketing will be facilitated by social networks formed between jengkol producers and retailers or customers. Good relationships are also established with retailers and customers, this makes them want to *repeat orders* and expand their marketing network. Helping each other will also lead to good in the business as do jengkol producers in terms of exchanging money so that a mutually beneficial relationship occurs.

According to Kotler & Keller (in (Pranoto et al., 2019) marketing is the process of conceptualizing, promoting, and distributing goods and services to create exchanges to achieve individual or group goals. Marketing carried out by jengkol producers still on good relations with friends and family. Including during the COVID-19 pandemic, marketing is still the same.

Distribution of goods to a network of retailers located in the Martapura market, Astambul market, street vendors on the outskirts of A.Yani road, Tambak Anyar village, Sudimampir market in Banjarmasin, as well as customers in Pingaran village and its surroundings. Marketing is done by family members who become jengkol producers by establishing communication and friendship relations.

Business continuity is also supported by human resources, which are related to labor. The progress of a business is supported by the potential of its human resources. This potential can be increased by conducting training, providing skills and direction from business owners. However, small businesses rarely conduct training because the routines and systems that are carried out are still, as usual, no changes have been implemented. Informant MH revealed that "usually my sister sells it and it's me who cooks" (interview 21 April 2021). The human resources employed by jengkol producers as labor are the families of the jengkol producers themselves, such as husband and wife, siblings, or parents and their children.

The next element of social capital is norms. Social norms are guidelines that regulate people's behavior to create social conditions that are orderly, orderly, and fair (Femilia, 2019). Without norms, social life will be irregular, preferably with norms it will create good and mutually beneficial relationships as well as create order and justice for each other (norms of reciprocity). Guidelines or rules in social life play an important role in business continuity.

The existence of an agreement between producers and retailers will create healthy competition. The rules formed by jengkol producers can be seen in several ways, one of which is determining the market price of jengkol to be sold so as not to turn off-market prices and still be able to compete healthily. An informant Amang Madi (35 years old) revealed that "the price of jengkol sometimes rises up to one hundred thousand per kilogram so that we sell it to be expensive according to the price of raw materials but for fellow producers, we communicate with each other to form a market price at that time" (interview, 21 April 2021). The price of jengkol that fluctuates also causes the selling price by jengkol producers to be not always fixed, so communication is needed to determine the market price of jengkol. In addition to price, the quality of the taste of production is also decisive in business competition.

The continuity of production of each producer has its own rules to get a distinctive taste. However, basically, the steps of production of jengkol are carried out by producers with each other and still use the traditional method. The production process in making jengkol goes through several stages, namely, on the first day the jengkol is soaked, the second day is divided and peeled then soaked again. This is done to get rid of the smell of jengkol.

The next stage in the jengkol production process is cooking jengkol using traditional equipment. The equipment used is firewood and a large pan. In 1 pot the load is 30kg, boiled for 3-4 hours in the first stew. The second stew is done again after the first stew, if the jengkol is old then it will take about 3 more hours to boil but if the jengkol is young it only needs to boil the water. Some manufacturers also use guava leaves to make jengkol feel chewy when eaten.

The last stage is making lalaan, which is a complementary sauce as a jengkol dip. Lalaan comes from coconut milk that is cooked for a long time until it shrinks and produces oil and a white sauce then added with sugar to produce a savory and sweet taste. One of the product continuity strategies is in this lalaan which distinguishes producers from one another because there is a secret spice that gives each taste uniqueness. In addition to the taste, the quality of jengkol, namely during the covid-19 pandemic, production was reduced because sales decreased so that there were not many losses and the jengkol was left because it was not sold out.

In terms of business continuity, agreements between traders are also carried out in terms of marketing. Informant Amang Pani (34 years old) said that "we are only waiting for orders from customers - previous customers and new customers who come, do not use online" (interview, 21 April 2021). From the interviews, it can be seen that the marketing carried out by jengkol producers is still in a conventional way by relying on customers who come.

One of the strategies for marketing continuity is the rules for sorting raw materials. Amang Madi (35 years old) stated that "we buy jengkol per kilogram for 35 thousand rupiahs, then they are sorted into 3 sizes, small, medium and large. Then the retail is sold for tenths of the tangkup (2 halves), the large price is 20 thousand rupiahs, the medium size is 15 thousand rupiahs and the small size is 10 thousand rupiahs so that in a kilo you can get a profit of 15 -20 thousand rupiah. To retailers, one hundred thousand rupiahs are sold for 50 thousand rupiahs for the small one, 75 thousand rupiahs, and the large one 100 thousand rupiahs, the selling price is handed over to the retailer" (interview, 21 April 2021). Purchases of raw materials to suppliers in kilograms are then sorted by size. Sorted sizes are divided into 3 types, namely small, medium and large so that from the sorting you will get a profit count.

The norm of reciprocity that regulates will create smoothness in business continuity. The behavior of each business actor leads to the form of agreement norms. An agreement also occurs between the producer and the supplier of jengkol in which the jengkol is delivered at the agreed time and depends on the supplier's stock, as explained by the AC informant that

they place orders per 100 kg to be processed in 3 days so the jengkol does not come in every day but only 2-3 days. An agreement is also formed by producers and retailers in every purchase, which is per 100 cups that have been wrapped by the manufacturer. In addition, for the sake of smooth business, mutual respect and appreciation are also important to create harmony between jengkol producers.

The norm of reciprocity is also marked by an agreement in the division of tasks in the workforce. In a smooth business, tasks are divided according to need, namely, there are sections that cook, market and distribute as well as place orders to suppliers of raw materials. The division of labor is carried out for the effectiveness of work as well as the distribution of results or the provision of wages to workers even though they are still in the family circle. This is done to maintain the existence of the workers so that an agreement must still be made.

The last element of social capital is trust. Trust *is* a very important element for economic actors. Social trust will emerge from sources, namely reciprocity norms and social networks. Trust is important because its existence will affect what we do, especially in dealing with other people. Mutually beneficial transactions will run smoothly accompanied by mutual trust between parties (Santoso, 2020).

In the business continuity of jengkol producers, trust is very important in establishing relationships. Trust can be seen from the transactions made to last for decades. Without trust, transactions cannot be carried out, especially over a long time. This is reinforced by the statement of informant Acil Jainab (40 years old) that retailers just need to take jengkol that has been wrapped in plastic containing 100 tangkup (interviews 21 in 2021). Jengkol manufacturers have confidence in suppliers in the quality of jengkol sent, so there is no need to check one by one again. The suppliers of raw materials for jengkol come from Tanah Spice, Kotabaru, Loksado, Samarinda, and Balikpapan. In addition to trusted suppliers, producers also trust each other with retailers because each retailer buys based on a package whose contents have been calculated by the manufacturer, namely every 100 tangkup (2 halves) of jengkol.

Mutual trust between economic actors affects business continuity in terms of marketing, production, and human resources. Trust will make it easier for various parties to achieve their goals. Trust will also influence every decision taken. In this case, the transaction carried out is influenced by a decision based on *trust* whether the transaction is carried out, continued, or terminated.

The results of the study explain that the business continuity strategy in this study is a

business condition in which there are ways to survive and develop in meeting the business needs of jengkol producers, especially during the covid-19 pandemic. Several informants admitted that they experienced a decrease in turnover during the pandemic, especially during the early days of the COVID-19 pandemic spreading in Indonesia. The strategy to maintain a business is carried out by good relations in social networks, norms that regulate social life, and growing trust. Among the elements of social capital form, the most dominant element of social capital is the network element because it involves related parties synergizing with each other in business continuity. The strategy will be effective if it is supported by all parties who synergize with each other.

The results show that jengkol producers have social capital that can support business continuity during a pandemic. Jengkol producers build social networks that are formed with fellow jengkol producers, raw material suppliers, customers, retailers, and RT. The norms agreed upon by the jengkol producers aim to create a fair and orderly business environment. Trust is also built between producers towards retailers and suppliers of raw materials for transactions to occur in the business. Jengkol producers get many advantages from the capital, production, human resources to marketing.

The contribution of social capital plays a very important role in business continuity during the COVID-19 pandemic. The most dominant element of social capital is the network element because it involves related parties to synergize with each other in business continuity. The strategies carried out by jengkol producers in business continuity include good relations between fellow jengkol traders, using secret ingredients, expanding marketing networks, and using government funding as a solution for capital continuity.

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