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## **SOCIAL CAPITAL IN NON-BARTER TRANSACTION CHAIN IN PASAR BLANTE KAWANGKOAN, NORTH SULAWESI PROVINCE**

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### **ABSTRACT**

*The research aims to find out the forms as well as the function of social capital in the chain of economic activity in Pasar Blante (Blante market), one of the traditional markets in Kawangkoan, North Sulawesi, particularly its non-barter transaction. This research employs phenomenology-qualitative research method by involving triangulation as the method of data gathering. Spradley Model is chosen to analyze data. The results of the research highlight kinds of social capital embodied in non-barter transaction in Pasar Blante which comprises trust, network, norms. These important factors are reflected in transaction chain involving many agents such as (1) the cattle's owner; (2) maantung; (3) tukang blante; (4) cukong; and (5) the buyers.*

*The contribution of social capital on non-barter transaction among people involving in economic activity are embodied in (1) The transparent transaction resulting in lower information cost among people taking part in that activity; (2) Free information access which enables them to obtain credible information on getting qualified cattles with highly economical value; (3) Appreciation on someone's ownership shown in high-sense of belonging and responsibility on taking care all cattles in Pasar Blante without additional charge; (4) Commitment on contact agreement which minimizes the cancellation on transaction; (5) The transaction needs no written document which legalizes the ownership of the buyer; (6) The availability of cattle's food which in turn reduces the cattle's food consumption cost; (7) Fast access on marketing which is supported by all parties involving in the transaction as well as all elements of society. Moreover, this research elucidates that non-barter transaction also support other transactions such as barter transaction and trade-in transaction. Finally, this non-barter transaction proves to be contributive to increase the local revenues and generates the economic activity in the area.*

**Keywords:** *social capital, traditional market, transaction, chain, non-barter*

## INTRODUCTION

Indonesians generally reside in rural areas living primarily on agricultural sector. One of the foremost spots, to sell their crops, either of agricultural plants or of cattle, to where they are brought to trade is the traditional market. Therefore, the role of traditional market becomes vital to rural community/society as media for marketing their products. The open characteristic of this traditional market allows the society to do economic activities freely whenever they have any marketable products. At this point, traditional market serves as the center of economic activities for the rural society.

The society's economic enthusiasm is very closely related to the dynamics of economic activity in the traditional market. It has correlation with the economic growth of the rural area either in the perspective of economic activity that hikes people's income or in that of the labor's involvement in the economic activities there. Other than that, traditional market in rural areas is inseparable from its function of intensive social interaction media to do barter on goods and services.

Lindbom (in Martineli, 2002:5) asserted that:

*"Markets are the institutional embodiment of the exchange principle, a market system is a system of a society-wide coordination of human activities, not by central command but by mutual interaction in the form of transactions"*.

Markets are the institutional embodiment of the exchange principle; market system is geared by mutual interaction of goods and service transaction. This postulation describes that market goods and service transaction reflects the presence of interaction and mutuality between elements involved in the economic activities in there. In other words, interactions that take place in traditional market mean exchanges of goods and service to give benefits either to the buyers or the sellers. The word, *mutual*, itself refers to an emphasis that in tra-

ditional market, two interacting parties of the goods and service transaction process enjoy mutual reciprocity of advantage suitable to their own expectation.

In the spectrum of institutional economy, the ongoing process in traditional market is characterized to only reach restricted community that allows each agents to know each other so its nature becomes personal (North in Yustika, 2008: 309). This personal relation is inherent in its activities, so consequently it brings about the cheap cost of transaction because participants know and trust each other, therefore it does not require any other instruments to support the transactions.

For the farmers traditional markets are easy-to-reach places with cheap transaction cost to sell their commodity. So are they for the buyers, traditional markets are strategic and cheap location to get their daily need. In this context, Zainudin (2009:2) states several advantages of traditional market as society's economic activity, as the followings, (1) the presence of social contact upon transactions between buyers and sellers. Unlike in modern market where consumers are forced to observe the fixed price; (2) give room for the society's expectation to buy product at cheap price; and (3) traditional market represents the economic rhythm of the major society.

So is the dynamics of labor force absorbance that come along with the process of transaction in such market. This aspect was stated by Asrom (2007:1). He argues that in the context of traditional market, some of these things can be observed: first, upon the economic activity of transaction, buyers and sellers can do transaction directly. Second, social interaction process takes place as it can influence the decision and the satisfaction of the buyers and sellers. The third, the location of traditional market is usually near the society's residence. This argument clarifies the importance of traditional market location in term of rural societies that rely on the sale of

agricultural sector as well as social interactions among them.

The presence of economic and social interaction defines the significant role of traditional market for rural society nowadays. Traditional market facilitates a reachable economic activity for society, as well as serves as social interaction media. Therefore, it can be said that it provides access for the society to do transaction and interaction so that the economic activity flavor is well combined with social interaction.

However, the advantage of this traditional market does not affect the growth and the development of Indonesian traditional market including the rural traditional market. The data taken out from Indonesian Traditional Market Seller Association (APPS), as quoted by the website of the Ministry of Cooperation and UKM states that on December 18<sup>th</sup>, 2008 the amount of traditional market sellers reached 12.625.000, in the following years the traditional market growth, shrinks to 8,1% each year. In Jakarta, each year 400 kiosks are closed, its contribution to the sale of 47 products keeps shrinking, from 78,1% in 2000 to 69,9% (Wordpress.com, September 3<sup>rd</sup>, 2009). It is clearly described that traditional market has undergone not only transformation into a modern one, but also closedowns. The low growth and the high shrinkage of traditional market are inseparable from the rising challenge of the pattern of modern transaction that the modern market brings about. Previously, traditional market with relatively cheap price for lots of commodities and with much better shopping facilities was considered superior. Now the large economic scale and direct access to the producers of the modern retailers can reduce their nett sale price so they can offer much lower price. The superiority of traditional market's low price now starts to erode.

The modern market management requires modern management with reliable experts. Besides, as explained above, the modern mar-

ket's transaction activities, people do not have to meet directly the prospective buyers and sellers to pay cash, and are more inclined to use more sophisticated payment method like *credit card*, *Money business*, *on line* and *re- mote* (SWA, April 1<sup>st</sup>, 2010). This challenge has shifted traditional market into a difficult position to grow, even without restoration and sufficient effort to sustain it; it will most probably die out and change its role regardless of its importance of its function as room for economic activity and social interaction for rural society.

In relevance to this, studies that have correlation with the existence of traditional market by looking at its benefits should necessarily be carried out. Moreover, observation should be done to find out new perspective and solution to develop and preserve traditional market as well as to ensure of economic and social room for rural society in traditional market to promote their income so that finally it can bring about the social prosperity. In this context, traditional market mainly in rural areas should remain to be preserved in reference to its absorbance for potentials of rural areas. Therefore, they can conduct economic activity in the expectation of spurring the society's income either in term of transaction or labor force as well as in its contribution to the growth and cash flow of the Regional Original Income (PAD). So subsequently, it can be used for the funding of the regional development. This contribution shows that basically, the role of traditional market is not as simple as its economic activity, but instead it can also bring advantage to the local development of where it exists. Other than that, the inherent social interaction of traditional market for its economic activity gives room for study on the traditional market to disclose and find out the existence and the role of internal social aspect, more specifically on social capital in the market's economic activity.

In this framework, Pasar Blante Kawangkoan (PBK) as one of the traditional market in

North Sulawesi especially in the Regency of Minahasa is considered adequate and challenging for observation in order to sustain and develop its vital existence for the local society through the comprehension and innovation of social capital that serves to accelerate the market's economic activity. Pasar Blante Kawangkoan (PBK), which is categorized as a special traditional market, as stated by Yustika (2009:311), is a special traditional market that only trades certain commodity, for example cow. This market is not intensively opened, mostly on the account of the number of cattle supplies.

In relevance to this notion, Pasar Blante Kawangkoan is indeed regarded special for the fact that it does not open as intensively/regularly as common market that opens daily, and it does not offer as many commodities and goods for trade as semi-modern markets. This market is only open on Thursday, at eight a.m. until five p.m. the only commodity for trade is cow with some of which barter transaction is still used. The market chief, who is a specially chosen supervisor works with colonial Dutch style of leadership and wears cowboy costumes (The Jakarta Post, May 18, 2010).

People, who come to *Pasar Blante Kawangkoan* have certain purposes, like (1) to buy cow or horse for breeding; (2) to buy cow for their farmhand to help them in the rice fields or garden; (3) to buy cow for its meat to sell; (4) to buy cow to save for future need and (5) to buy cow as hobby or favorite pastime for animal (Tribune Manado, May 8<sup>th</sup>, 2009).

At *Pasar Blante Kawangkoan* the agents of transaction chain comprises (1) the cattle's owner (*makapunya binatang*); (2) *maantung* (cow farmhands); (3) *tukang blante*; (4) *makelar* (broker) and (5) *cukong* (the big traders). The cattle's owner is charged with retribution of ten thousand each cattle. Sometimes, the cattle owners bring one to ten cattle or variably along with their need in the market (Sondakh, Frangky, 2011).

It is free to sell cows, but upon the transaction of every cow traded, they do not use any receipt. Instead, they only say "ces" and it will be responded by yelling "deal". To strengthen the process of transaction they will shake each other's hands (Purede, 2010:3).

In general, according to Huszagh & Barksdale, most of these transactions take place in market involving motivations related to task, relatives, friendship, religion and politics or others (1986:22). In other words, social factor determines the success of transaction. Close social relationship can be the underlying reason for a transaction. Furthermore, it is said to affect toward the low cost and the risk of transaction as it is based on trusteeship. It means social aspect in the frame of economic activity is very influential to the success of transaction of goods and services.

In the context of Pasar Blante Kawangkoan (PBK) as stated by *Mandor Pasar Blante* Mr. Jhon Kaat, apparently, such social aspect is involved in the cattle transaction done by the agents of activity. Considering this market enables intensive meetings of Kawangkoan people who know each other well and who have established social relation, either, family ties, religion or residential group. The involvement of social aspect that influences the process of this transaction also characterize the economic activity of Pasar Blante Kawangkoan (PBK) with informal economy the bases its system on the close relationship and trusteeship. Ethnical tie, relatives and language as well as culture most possibly give economic benefits to the process of transactional activity at Pasar Blante in relevance with either, network, information access or capital, in this sense, the ownership of cow and cheap workers. Furthermore, in relevance with informal economy, Pasar Blante is inseparable from relational and reciprocal behavior of the transaction agents in there. This implies the chance of social capital role in this market (The Jakarta Post, 2010, May 18).

Considering the social aspect related to the characteristic of pasar Blante as traditional market, its unique transaction pattern, its sustainability to the present day and its big contribution to the society and local regions, as well as its benefit for other traditional market development, it is necessary to conduct a thorough observation about the social capital that generates its economic activity, how much the role and the social capital can contribute to the sustainability and development of Pasar Blante Kawangkoan (PBK) for the maximum benefit for the society's economy as well as its assistance to the solution for other traditional market development. The social capital referred to the argument stated by Coleman (1988:98) that defines social capital as follows:

*“variety of different entities, with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors whether personal or corporate actors within the structure”*

Social capital has two characteristics; as an aspect of social structure and as facilitator of individual's action in the social structure. In this sense, the forms of social capital such as obligation and expectation, information potential, norms and effective sanction, authority correlation, as well as the appropriately-used social organization to produce social contract. However, Tonkiss (2004:11) reminds us that that social capital will only have economic value when it can help an individual or groups of individuals. In other words, series of value or norm can transform into economic capital if it can give benefit to the fluency of economic activity.

In short, it can be said that Pasar Blante Kawangkoan (PBK), which is a media of economic activity with non-barter transaction and social interaction of the society as well as the existing value and norm, and which also contributes to the society's economy and to the regional original income (PAD) provides an interesting and challenging phenomena. *This*

*research is aimed at understanding and finding out forms of social capital in the transaction chain of non-barter at Pasar Blante Kawangkoan.*

## LITERATURE REVIEW

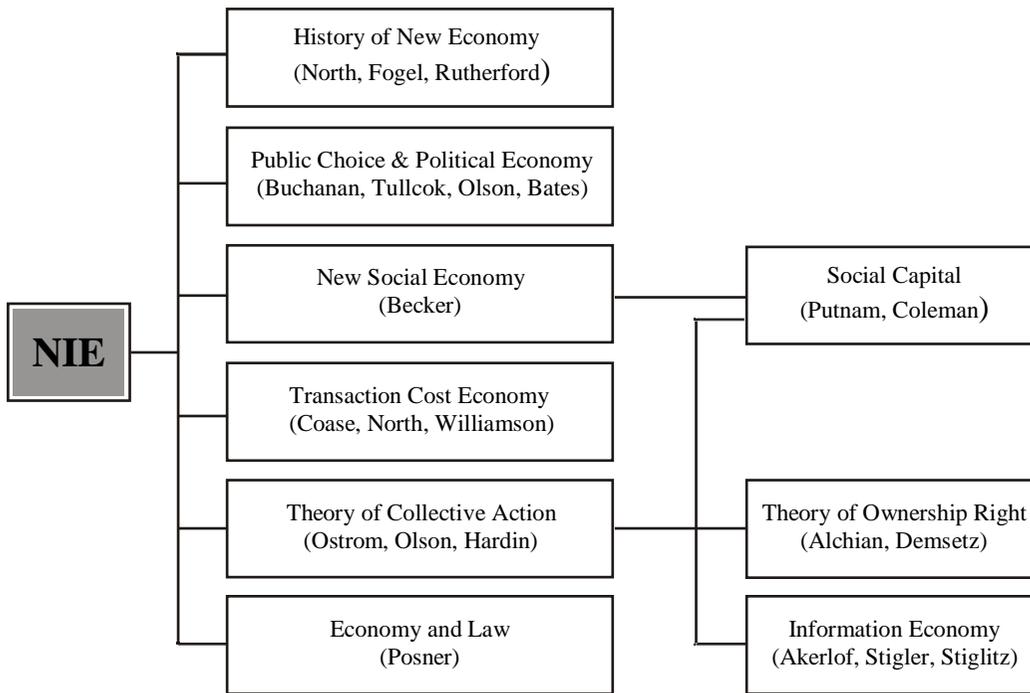
### Social Capital and Transaction

Institutional economy is divided into two, namely OIE and NIE. New Institutional Economy (NIE) according to Williamson (in Yustika, 2008:49-53) operates in two levels, that is (1) *Institutional environment* (macro level): a set of structure of political, social and legal rules that establishes the activity of production, transaction and distribution. The rules of choosing mechanism, the right of ownership and the rights in contract; and (2) *Institutional arrangement* (micro level): the agreement between economic unit to manage and find a way to ensure the sustainability of inter-unit relation, through either cooperation or others.

NIE is definitely a multi-disciplinary study with branches of science (Kherallah & Kirsten, 2002:6-7 in Yustika, 2008:52). For more details, it can be seen in Picture 1

From the branches of new institutional economy, it can be seen clearly that it has wide spectrum, even crossing the boundaries of conventional economics discipline, like social capital that sees market transaction as social phenomenon with spacious dimension.

Some economists have talked about capital, especially economic or financial capital. Economic capital is sum of obtained money used to buy facilities and the company's production equipments (for example factory, machine, office equipment, means of transportation) or sum of money collected or saved for future investment (Suharto, 2005:1)). It is easy to measure and calculate economic capital quantitatively and absolutely, as the sum of money spent can be identified as much as the sum of items bought.



Source: Kherallah dan Kirsten (2001:7) in Yustika (2008:53)

**Picture 1.** Branches of New Institutional Economy

While the human capital that covers skills and expertise owned by some one to carry out certain task. Human capital is not easily measurable as it involves the knowledge that one has in mind and it is not easily calculated customarily.

So is the social capital. It is a concept not easily identified and even less if measured quantitatively and absolutely. As one of the elements that comprise civil society, social capital refers to value and norms that are strongly upheld and observed by most members of society in their daily life, that directly or indirectly influence the individual's quality of life and the sustainability of social community.

Social capital can be discussed in context of strong community, strong civil society and strong country and nation identity. Social capital, including its elements like trust, cohe-

sion, altruism, cooperativeness, network, and social collaboration has large influence toward the economic growth through various mechanisms, such as the enhancement of sense of responsibility for public interest, the widespread participation of democratic process, the strengthening of social harmony and the decrease of violence and crime level (Suharto, 2005: 2)

There are some definitions according to an expert of social capital, Fukuyama (1999:16)

*Social capital is a set informal values or norm shared among members of a group that permits cooperations among them. If member of the group come to expect that others will behave reliably and honestly, then they will come to trust one another. Thrust is like a lubricant that makes the running of any group or organization more efficient.*

Coleman (1988:98), defines social capital as follows:

*“Variety of different entities, with two elements in common: they all consist of some aspect of social structure, and they facilitate certain actions of actors whether personal or corporate actors within the structure”*

Social capital has two characteristics in common: it consists of aspect of social structure, and it facilitates individual’s action within the social structure. In this perspective, the social capital forms of obligation and expectation, information potential, effective norms and sanction, authority correlation, as well as social organization that is used appropriately to produce social contract. It is in contrast with Putnam (1993:32) who defines social capital as:

*“to the notions of physical and human capital, the term social capital refers to features of social organization such as network, norms, and trust that increase a society’s structure that facilitate certain actions of actors within the structure.*

Putnam sees social capital as covering social network, norms, and trust. The elaboration above asserts more strongly that social capital is trust, norms, and network with which the members of community act collectively. So-

cial capital can also be defined as source that rises from the presence of interaction among people of the same community. However, the social capital measurement rarely involves the measurement of the interaction itself, but rather the result of the interaction like the embodiment or the sustainability of trust among the members of society.

The differences of social capital definitions of the experts indicate that social capital is rich in meanings, despite its same goals. For more obvious explanation, look at Table 1.

Several views of social capital above are not contradictory to each other. They are relevant and complimentary to each other as analytical instrument for the outlook of social capital in a society. Social capital can be in the form of mechanism that is able to manage a potential into a real power to foster the social development. Some how, Tonkiss (2004:11) reminds that social capital will only have economic value if it can help individual or group of individuals, for example to access financial sources, to get information, to find job, to start up a business and to minimize the transaction cost.

Theory on the transaction cost first was revealed by Ronald Coase in *The Nature of the Firm* in 1937 and developed further in *The Problem of Social Cost* in 1960. This theory is

**Table 1.** The Substance of Social Capital Definitions According to Experts

Experts of Social Capital	Linked to	Social Capital ( <i>independent</i> )	Dependent Variable
Coleman	Social structure:social interaction, institution	Function of obligation, expectation, trust; channel; norms, sanction; network, organization	Actor’s action or actor in law institution
Putnam	Social Institution	Network; norms; trust	Economic success, democracy
Fukuyama	Religion, Philosophy	Trust, value	Cooperation, economic success
World Bank		Institution, norms, relations	Social Action

Source: Lawang (2005:21)

meant to improve the weakness of the general equilibrium model developed by Walrasian, who states that transaction only needs the suitable sum of cost of certain commodity (Deliarnov, 2002:19). Neo-classical economists developed theory of barter and trade, but they ignored the costs of transaction. Although as a matter of fact institutional economy develops the theory of transaction cost that rises from the market failure (Yeager, 1999:29-23).

Transaction cost economy for the first time was introduced by Ronald H. Coase in his article entitled *The Problem of Social Cost* (1960), when he attempted to compare the transaction cost in the market economy and all command-controlled economy (Deliarnov, 2002:120).

According to Coase, in economic activity, there are two kinds of cost: (1) costs that are relevant to production and physical distribution, and (2) costs required for transaction. Besides Coase, theory of transaction cost is also developed by Arrow (1963) who defines the transaction cost as costs for running economy. Commons (1981) subsequently elaborates that the transaction costs cover all costs required to get information, coordination and enforcement (Deliarnov, 2002:120). The transaction cost economy then develops into popular analytic instrument to measure the efficiency of institution design.

The high transaction cost reflects the inefficiency of the designed institution (Yustika, 2006:103). In opposition with the theory of neo-classical economy, which is more concerned with the price and output, and which defines the company as the function of production, the transaction cost economy is more concerned with the allocation of economic activity within various organization mode (market, company, government and so on), and applies structural discreet analysis and explains company as the structure of government (Williamson, 2005:41).

Neo-classical view argues that market runs perfectly at no cost (*costless*) because consumers have complete information and producers compete against each other to produce low price (Stone, *et al.*, 1996:97 in Yustika, 2006:104). However, what really happens is contradictory; information, competition, system of contract and the transaction process can be asymmetrical. Imperfect information and the limited mental capacity to process information determine the cost of transaction that underlies the formation of institution. The cost of transaction rises from expensive and asymmetrical information among the agents of transaction (North, 1995: 18).

Dietrich (1994:20) sees the cost of transaction in another perspective, that is; *first*, the ex-ante cost of transaction is the cost of transaction prior to contract such as the cost of making draft, negotiation, and of securing the agreement and, *second* ex-post cost of transaction is the cost of transaction after contract that covers; (1) the cost of adaptation value when transaction deviates from the committed agreement, (2) the cost of negotiation that occurs if bilateral efforts are done to correct the deviation after the contract, (3) the cost of designing and running activity that is relevant to the structure of government management upon dispute, and (4) the cost of binding to ensure that the commitment can be guaranteed.

The theory of transaction cost was also developed by Kirchner & Picot (Deliarnov, 2002:121). They explain the general components of the transaction cost consist of: 1) the cost for finding information, 2) the cost of making contract (negotiation and formulation of contract), 3) the cost of monitoring (checking quality, quantity, price, punctuality of delivery time, security), and 4) the cost of adaptation upon the implementation of commitment.

## RESEARCH AND ANALYSIS METHODOLOGY

This research of Pasar Blante at the district of Kawangkoan is carried out using qualitative research method. It means that this research will emphasize the disclosure of social phenomena of the social capital chain on non-barter transaction at Pasar Blante. Besides that, Sugiyono (2005:22-23), this research is also aimed at understanding the social interaction more thoroughly, inferences behind data, absurd research, understanding people's feeling, developing the theory and ensuring the validity of data on the activity at Pasar Blante. Therefore, this qualitative research approach can also reveal pattern, hypothesis and theory (Sugiyono 2005:145). Hence, this research done at Pasar Blante Kawangkoan will expose data that is relevant to the behavior, utterances, in the interaction of every transaction activity among individuals as market actors who then will be considered as data source. In other words, the researcher's observation will reveal data in the form of expression or documentation and behavior shown by the objects of observation.

In this research a special phenomena that will be observed is social phenomena that has something to do with the behavior and social interaction of the society inside or outside Pasar Blante. In this case, the place for economic activity is Pasar Blante Kawangkoan, Regency of Minahasa, North Sulawesi. This qualitative research is expected to produce data and to reveal how the subjects of observation feel and what they experience and think of. In simple language, this research will find a perspective that comes out of interpretation fully reflected from the utterances or sayings and behavior found upon the process of data collecting and analysis.

In the context of Pasar Blante Kawangkoan, this research will explore the notions and views of the actors through interaction and transaction starting from the cattle owner, the broker, *tukang blante*, and

animal trader (*cukong*). Of course, there are some other actors who are involved in this activity, like: *mandor pasar*, *mantri pasar*, the market chief, whip sellers and people as the market visitors. Their activities will describe what form, role of social capital in their economic activity are like within the market. This tendency is seen in the argumentation of Kirk & Miller (1986:34), stating that qualitative research is a tradition for social science. It is fundamentally dependable on the observation of humans, in their own territory and has relation with the people in accordance with their language and terms. So, the most important thing to notice in this perspective is the point of view that rises from what is being observed.

Subsequently, those views will be reconstructed by the researcher into the construction of the research finding. The obtained concept is not the outcome of theoretical verification of a hypothesis (Arikunto, 1989:84), which is determined early by the researchers. But it will depend very much on the intensity of interaction of the researches with the phenomena found in Pasar Blante Kawangkoan. In this framework, the researcher does not build a strict construction in the effort of exploring and finding out the perceived social capital and practicing it in the scope and interaction at Pasar Blante Kawangkoan. In other words, the conclusion that will be withdrawn by the researcher is fully taken out from what is reflected through utterances or documentation and behavior of the individuals involved in the economic activity of Pasar Blante Kawangkoan.

The data collecting technique employs triangulation of observation, interviews and documentation. While the data analysis uses the gradual process model of Spradley (1980). This model consists of domain analysis, taxonomy, and componential and cultural theme analysis. In domain perspective, to disclose the elements of social capital through the collected data will involve categories, among others the

covered behaviors (*covered terms*), behavioral part and semantic correlation.

In this context, the researcher begins the analysis by determining one of the semantic correlations and combines it with the field records obtained from the process of data collecting upon the interaction with the data source in the location of Pasar Blante. This analysis process will continue with categorical correlation between the covered behavior and behavioral part that reach the culmination point in finding list of domain. The list of domain is regarded as reflection of perception and concept of elements and role of social capital in accordance with what is understood and believed by the actors of economic activity in Pasar Blante as the subjects of observation.

This analysis process is then carried out taxonomically especially to explain the terms or behavioral part in special domain and to organize them in order to achieve the research objectives. In this case, the researcher chooses one of the domains that has semantic likeness for further use of the chosen domain. Upon this process, the researcher will also find the terms of part through constructing structural questions. The result will form taxonomy - graphically or relations between domain and its sub-part against terms of parts described on the levels found. To evaluate the taxonomic analysis on the obtained data through the researcher's intensive interaction with the data source in Pasar Blante, the researcher conduct a focused observation to check what is later described as the research findings of social capital forms in Pasar Blante Kawangkoan.

The next analysis is componential, which elaborates the domain set as focus. Through taxonomic analysis, similar elements or elements of the same clump are searched. This is obtained from observation and interviews as well as focused documentation (Sugiyono, 2005:113). The last analysis is cultural theme analysis, or *discovering cultural themes*, which is actually an attempt of finding corre-

lation that integrates the inter-existing domains (Faisal, 1990 in Sugiyono, 2005:114).

## THE DISCUSSION OUTCOME

### Forms of Social Capital in Non-Barter Transaction Chain

Kawangkoan is a small town located in the governmental administration region of Minahasa Regency, North Sulawesi Province. The capital of Kawangkoan district is Sendangan, around 30 kms from Tandano, the capital of Minahasa Regency. In 2009, based on Letter of Decree of Minahasa Regent No. 233, 2009 at present, Kawangkoan District experiences expansion from 4 Kelurahan into 10 Kelurahan, No. 231, 2009 from 9 Desa (villages) into 29 villages. The most spacious Desa is Desa Ranolambot (7,71 km<sup>2</sup>), and Desa Kiawa Dua Timur as the smallest Desa. And the most spacious Kelurahan is Kelurahan Kinali satu (1,87 km<sup>2</sup>) and Kelurahan West Talikuran (0,283 km<sup>2</sup>) as the smallest Kelurahan. District Kawangkoan has 20 villages led by *Hukum Tua* (Kepala Desa) consisting of 70 jagas, and 10 Kelurahan led by Head of Kelurahan (*Lurah*) consisting of 42 *lingkungan*.

Trade of commerce in Pasar Blante in the opinion of JB Tumbelaka is the oldest *Hukum Tua* in Kelurahan Uner starting before 1920. Previously, this activity was only done by several cow owners who wanted to barter their cows with other cows (Interview, April 25, 2011).

This market activity kept going on and on along with the development of pasar blante that is increasing year by year. This is seen from the increasing number of people doing economic activity in this market. Development is unavoidable when the society has had various kinds of need so that money as exchange instrument turns out to infiltrate into the Pasar Blante and becomes transaction equilibrium in there. Therefore, the activities in Pasar Blante have become three parts; *first* the transaction

of *blante* (barter); *second*, the mixed transaction of *blante*, in which the cattle owner exchange his cow and when it does not meet one's expectation the other should pay money to balance; *third*, non-barter transaction, meaning that money is the exchange instrument.

The development of Pasar Blante keeps showing positive progress. Everyone who does economic activity in the market will feel comfortable with its condition. However, the locations of Pasar Blante has many times moved along with the dynamics of traditional market of Kawangkoan. At the beginning, Pasar Blante before 1920 was located in Kelurahan Uner that now has become the location of SMP (Junior High School) National and SMA (Senior High School) National of Kawangkoan. For several years, Pasar Blante has done the process of barter and trading but it is only present when there is a market activity, in other words, where there is crowd, Pasar Blante is always there. So this market is only co-existing with traditional market of Kawangkoan.

While the activities carried out in Pasar Blante involves many actors who flock together and intermingle into one and give each other benefits. Based on observation and interviews, it is identified that the actors at pasar Blante are (1) the cattle owner (*makapunya binatang*); (2) animal farmhand (*maantung*); (3) *blante* doer (*se blante*); (4) broker; (5) trader (*cukong*); and (6) beef consumers.

The activities of trade actors in Pasar Blante who are hectic every day as members of society, are certainly inseparable from the existing social interaction that is going on in society. From this social interaction, social relation beneficial for their development of entrepreneurship will rise. This social support, as social capital found in the field can be categorized into many forms.

## 1. Social Capital of Trust

Fukuyama (1995:10), a figure of social capital explains that trust is expectation that grows within a society, which can be indicated by honest behavior, being organized and cooperativeness based on norms shared together. It means the presence of trust developed in a society is very influential to the effectiveness and the success of social and economic activity they do. It is difficult to mention the nominal aspect of trust or even considered insignificant if not nought, but its contribution to the development and effectiveness of the transaction process in economic activity can undeniably have equal importance.

### 1.1. The Cattle Owner's Trusteeship with Indulgence of Providing Fodder to Other's Cattle

Social capital of trust among the cattle owners eases them to run the business of husbandry through the permission of providing land with grass for others' cattle to graze. It has become a tradition for the society to take care of each other's cattle, so this is what keeps their business sustaining until the present days.

### 1.2. The Cattle Owner's Trusteeship to the Animal Farmhand (Maantung) in Selling and Sharing Profit

The presence of animal farmhand for the cattle owners, undoubtedly gives contribution. The fact that animal farmhand as the cattle caretaker and the cattle owner as the capitalist marks the relationship between the two. Whether this relationship can persist for long time or not depends on the trusteeship both have. It can be about the increase of the number of cattle taken care and the fair profit share upon the harvest time. If both have enough trusteeship, both of them will get maximum benefits. Therefore, the relationship between the farmhand and the cattle owner can persist for an unlimited time, meaning that it can persist for good. In other words, the so-

cial capital of trust will influence the existence and the continuity of this relationship, in the sense either that farmhand as the caretaker of cattle or that the cattle owner as the capitalist. The cattle owner gives his trust among the *maantung* in order to stabilize the production of cattle for their husbandry business. This is what a 60-year-old Yoseph Runtu of Tomohon:

*“It is partly difficult and partly easy to run husbandry business of cow. It is risky when my cattle are sick or dead. Surely, I have to bear this loss entirely. It is even worse when I buy a young cow (calf) of low quality it will certainly risk its growth. If it is sold, the price will be low and we only have small profit, while the breeding cost is quite expensive. Nevertheless, I am not worried anymore because I have several quite experienced maantung to take care of my cattle. If a problem occurs in the breeding them, they will openly tell me to solve it together. So upon the harvest time, we will determine the price of the cow together and often I directly give them trust to sell my cow and we share the profit according to our preliminary agreement”* (Interview, April 19, 2011)

This cattle owner’s experience asserts how important it is to have a reliable, trustworthy *maantung*. Not only are they able to overcome with the quality of cattle’s health, but also able to determine the price of cattle if given high trust and can directly sell the cow at Pasar Blante. It shows that trust, like Fukuyama said, has been reflected by the honest cooperation between the cattle owner and *maantung*. It is trust that makes them unworried of being violated or cheated. Because the profit is always shared evenly quite often, the bonus is also obtained.

### 1.3. Trusteeship of the Cattle Owner to Tukang Blante in Payment Postponement

This trust capital is also going to work when the cattle owner finds it necessary to

extend the postponement of payment; especially when tukang blante is in difficulties of fund. This is embodied in the dispensation to take cow to bring to the Pasar Blante for sale, although the cow later will be paid after being sold at the market. This action can be very risky if the tukang blante does not want to pay for the cow. After the cow is sold, the tukang blante can potentially deceive the cattle owner by saying the cow being bad in quality, being bargained at lower price than the agreed price is another example of risks that can be easily replaced with long-preserved trusteeship to each other. That is where the interview goes with Mr. Nofi Buyung of Desa Kenoang Dua, a sixty-five-year-old actor upon a relaxed meeting with his cattle owner friend:

*“I am actually a warung (food stall) owner. Nevertheless, when I tried a business of cow trade, it seemed to give me large profit. That makes me feel challenged and interested. Furthermore, I see some friends of mine who have run this business, have improved their economy. Eventually, I encouraged myself to start up the business despite the small capital I had at that time. Thanks to the helps of several friends who trusted me to take their cattle to the market and sell them. After selling them, I gave their money. Not only friends, but also my relatives and children trusted me to take their cows for sale. So I had enough stock, and I found no difficulty because most of them let me bring their cows without prior payment. Some of them indeed also asked half of the sale price but some asked for the money after the cow is sold.”* (Interview, April 25, 2011).”

The statements above affirms that the cattle owner disperse his trusteeship by giving indulgence for tukang blante to take the cow first and pay if it’s been sold. This behavior is meant to give responsibility to the tukang blante in order not to disappoint the cattle owner. In other words, the cattle owner’s trust is responded with the action of keeping the

given trust among them for the profit that they will both enjoy.

#### 1.4. The Cattle Owner's Trusteeship to the Broker in Giving Full Right to Sell the Cattle

For the broker, the main capital to run the business is getting trust from the cattle owner or tukang blante to sell the commodity of cow. Basically, the broker serves as mediator. Upon the arrival of the cow at the market, the brokers will directly compete to hold the rein of the cow. Those who hold the fastest deserves to sell the cow. By fact, common situation that the cattle owner sells his cow directly to tukang blante or beef butcher takes place. However, not all of them do so. At this point, they need broker to help sell the cow to smoothen the transaction. This is stated by Franky Goni of Bitung, who is 60 years old:

*"Usually, when I want to sell my cow, I will bring it to the Pasar Blante. The quite far distance makes me use truck to transport my cattle. Upon the arrival at the Pasar Blante, brokers usually swarm around my cattle. Although I don't know the broker quite well, when he can hold the rein the fastest, I have to let him sell my cow without having to worry that my cow will be gone. Then we will negotiate to the price of agreement. When it is dealt then he will sell the cow to the tukang blante or the beef butcher or anyone who intends to buy it, as the most important thing for me is the profit that comes out."* (Interview, April 29, 2011).

This statement shows that the brokers are given dispensation to sell his cow. The trust given by the cattle owner arouses self-confidence of the broker to trade cows directly. Broker that truly makes good use of the trust of the cattle owner will give benefit to himself and to the cattle owner, the trust giver.

#### 1.5. The Cow Traders' Trusteeship to the Cattle Owner in the Quality of Meat

The trust that the cattle owner establishes

with the farmhand, tukang blante and brokers is also established with the beef butchers, who are mostly primary consumers of the cow. They buy a large number of cows from the brokers. Trusteeship relation in this context is related to several things ranging from the reachable price, and the quality of meat. As said by Mr. Bertje Poluan when met between his hectic transaction at Pasar Blante. This trust is kept sustainable for their continuity of their trade of commerce in Pasar Blante.

#### 1.6. Tukang Blante's and Broker's Trusteeship in Giving Free Information on the Market Business

The relationship between brokers and tukang blante is inseparable, like inseparable sides of coin. This mutual relationship makes them both of importance. For tukang blante brokers are partner from whom a lot of information about the prices of the market can be obtained. So is the trust of giving information on the prices of the market. It will make them enjoy their own role so it can produce cooperation mutually. It can be implied from the statement of Mr. Herry Kembuan:

*"As a tukang blante, I have lots of broker friends. I realize that my job will not work well, without brokers. That is why I establish good relation with all brokers available at Pasar Blante. They always help me with the price information. My trust on the given information on the price of the cow that often keeps changing in order not to suffer from big loss. As once, I ever got wrong information. When I bring my cow to the market, they gave me unfriendly price. Since I was in bad need of the money, I finally gave my cow away despite the loss I have to suffer. But I feel thankful of the updated information of the price from the brokers. It really helps me much to sell my cow commodity."* (Interview, April 23, 2011)

The statement above reveals the presence of symbiotic relation between tukang blante and brokers. They can get profit out their job.

Their relation is nurtured and based on the trust that both do their own role on every transaction. The violation of the trust will bring about economic and social loss, as they will be excluded and labeled with bad image around the Pasar Blante.

## 2. Social Capital of Network on Trade of Cow Commerce in Pasar Blante

One of the social capital forms is network. According to Barners (2008:82), network as a set of relations made by an individual with the surroundings and centralized on oneself, on his/her own intention. An individual who intensively communicate and interact will build a strong network. The built network within an individual can facilitate to benefits and can generate ongoing daily activity.

### 2.1. Free Information Exchange among Tukang Blante

Tukang blantes are not alone in running his commerce. They build network among tukang blantes, which derives from the cultural value of Mapalus that is still inherent in the society's life. Although they don't have formal association, they still preserve their relation in or out of Pasar Blante. They often hold meetings in different places. The most attended rendezvous are coffee shops scattered around the downtown of district Kawangkoan. These meetings are rarely done. Usually they discuss matters closely relevant to the continuity of their business because of the presence of competitors in several places. They gain a lot of benefits from their loosen meetings. Their freedom allows them to be creative in developing their entrepreneur. It can be clearly seen through the sayings of Mr. Herry Kambuan:

*"I have become tukang blante for a long time. To become tukang blante I have to own enough capital and friends to help me trade cows. On Thursdays we gather in Pasar Blante to trade cows, although the day before we had a loosen meeting with*

*tukang blante friends. I do it to exchange information about the price available in the market without having to conceal any of them despite our loose relationship, not being bound to any association. We will all share the information freely as we never consider them as rivals or enemy."* (Interview, April 29, 2011).

This statement asserts that tukang blantes build relation among them although it is not written and binding. This loosen relation makes them free to exchange information about the situation at the market with whom- ever they want. This loosen relation is an interesting thing as they are still free to do activities but remain committed to nurturing their relation well among them. Tukang blantes seem to realize that they can't work individually. This togetherness needs to fertilize in order to be strong to run the business in Pasar Blante.

### 2.2. The Sustenance of Cow Stock through the Friendship between Tukang Blante and the Cattle Owner

Cooperation built between tukang blante and the cattle owner is symbiotic; tukang blante builds network to expand the provision of battle through friendship, neighborhood, or family relationship. The network enables them to sustain the cow trade, and makes tukang blante feel encouraged and gain optimism for the sustainability of their cattle trade in the future as experienced by Mr. Jhon Kiawa, whose cow business has lasted for 30 years. Their cattle trade (*blante*) has never run out of cattle or cow stock. This is due to his strong network with the cattle owner. Even if he is out of cattle stock, it is because of the failure of the cattle owner in breeding cattle or in husbandry. But that can be overcome with the free information given by his own friends and family about the existence or the availability of cow stock. Upon a meeting at Pasar Blante with the researcher, Mr. Jhon Kiawa, who is skillfully speak Manadoese Malay mixed with Indonesian said:

*“I am not scared of running out of cow stock, because I have subscribed cattle owners. Furthermore, say I run out of stock I always get the other in different market. I get the information from the cattle owner, neighbors, and surrounding people. Some come directly to my house, some via phone, sometimes I come to their house. Say, they need something from me, I always help him, because I regard him as my brother.”* (Interview, April 27, 2011).

Well-established relation with various parties, makes Mr. Jhon Kiawa sustain the provision of cow. Mr. Jhon’s network has bound several cattle owners to sell their cows. The trusteeship and sense of respect to Mr. Jhon, who always help them sell their cattle have significant role in strengthening the social network and in ensuring the effectiveness of the trade.

### 2.3. The Brokers’ Consistency and Information to the Tukang Blante Ensures the Stability of Price and Income

The social network built by tukang blante with the broker is based on the sense of belongings and the responsibility for the cow that will be traded. Tukang blante establishes his network through consistency and information from brokers to ensure the stability of price and income of tukang blante. Subsequently, that will encourage familiarity between tukang blante and the brokers.

### 2.4. The Provision of Bonus and Facilities from the Cattle Owner to Tukang Blante

The important role of beef butcher is of course inseparable from the presence of cooperation with tukang blante. Without tukang blante, the beef butcher cannot do anything as some of the cow stock they buy come from tukang blante. To preserve the sustainability and the solidity of the network, beef butchers often give bonus as well as various facilities to tukang blante in order to keep their business mutually sustainable. Worries often

rise among the beef butchers, when their stock is insufficient while the demand increases due to some unpredictable factors. So tukang blante will move with his strength to find as much cow stock as possible to meet the demand of the beef butchers. This will minimize the anxiety of the beef butchers for the availability of beef.

The network that they establish and preserve becomes effective capital to smoothen their transaction. Moreover, at anytime, it will come over the limited provision of cow amid the high demand and will minimize the costs that cut down their earnings.

### 2.5. The Facility of Marketing Beef Cattle from the Cattle Owner with the Consumers

In general, consumers always want satisfaction with the beef they consume. If it does not meet their expectation, they will easily leave the beef cattle and move to other beef cattle. It is of course unexpected by the beef butchers. To them, the meat of beef cattle they sell should meet the taste of consumers to ensure the smooth marketing. Therefore, establishing good relationship with the consumers of beef is an absolute thing to do. The size and the strength of the network built with consumers will bring a large profit through their marketing. The network can be well built through direct contact via phone calls or other communication media.

## 3 Norms of Non-Barter Transaction

In Kawangkoan society, norms of cultural life are still reflected in their daily life. Traditions and customs are still strongly upheld in the society’s life and remains well-preserved as the inheritance of their ancestors.

### 3.1. Handshake and *Ofor Tali* (holding rein) as a Transaction Deal and Ownership Shift from the Cattle Owner to Tukang Blante

The statement of the tukang blante means

that their agreed rules, despite unwritten should not be broken, as the rule breaker will get sanction, such as: *First*, if tukang blante has held the cow's rein, no one must not grab it. It means that respecting and appreciating others is the most important, because without this, irregularities or chaos will occur and in turn will cause the disturbance of social relation among them; *Second*, if tukang blante is not able to sell the cow at the agreed price, the tukang blante should hand it out to the other tukang blante upon the knowledge of the cattle owner; *Third*, the cattle owner can state that his cattle has been bought by the tukang blante, although he has not receive any cash money form tukang blante; *Fourth*, between tukang blante and the cattle owner should base their cooperation on trusteeship: *Fifth*, the cattle owner can freely give his cow to whom- ever he wants, although they are not his cus- tomers; *Sixth*, the agreed price subjects to change upon the knowledge of the cattle owner if tukang blante sells it to the consum- ers; *Seventh*, if the cow is sold, they do not need any receipt, but a handshake and yelling, "ces" or deal, instead; *Eight*, between tukang blante and the cattle owner will share infor- mation openly about the price of cow in pasar, and none should be concealed.

### 3.2. Commitment to Various Agreements to Subject to The Rules between Tukang Blante and the Brokers

Relationship of social capital between tukang blante and the broker is inseparable from the presence of norms or rules that regulates it. Without this, it is difficult to compromise for every agreement. As actors in Pasar Blante, tukang blante and brokers must subject to the rules, like *first*, no one should conceal any information and should share the information openly for every activity in Pasar Blante: *Second*, a cow that can't be sold by a broker should be taken over by other brokers; *Third*, the one who can hold the cow's rein for the first time deserves to sell the cow of tukang blante; *Fourth*, the preliminarily agreed price

is left up to the broker, but should not go beyond the agreement; *Fifth*, if they don't compromise about the price, although the broker has held the cow's rein, tukang blante can give it to another broker; *Sixth*, the broker should be responsible for the cow that will be sold; *Seventh*, there should be no different treatment to the brokers as they are regarded the same; *Eight*, the transparency about the condition of the cow; *Ninth*, the ownership shifts a minute after transaction despite the absence of receipt or other colletaral; *Tenth*, if one is found deceiving/lying, he will not be trusted anymore to sell the cow; *Eleventh*, item sold out can not be returned because the selling process is transparent instead of enclosed or "*seren oh samak sa tumeles*" in the local term, which means that the cattle has been examined before bought.

### 3.3. Transparency of the Cow's Quality from Brokers to the Beef Cattle Butchers

Mr. Lepa, a broker who is never absent from the daily activity of Pasar Blante has principles; although he does not get large profit, he does not want to harm the cattle owner. His principle has brought him to al- ways giving good information of the product. So he can sustain his job and gain popularity because of his naïve personality. He will tell bluntly so in a very short time, his cow will be sold out. Here is his explanation in his Manadonese Malay:

*"Kita kwa kalo mo jual sapi ndak perlu untung banyak, paling biar cuma dapa seratus ribu so cukup for kita. Kong katu kalo mo jual tu sapi pa dorang kita salalu bilang apa adanya. Kalo itu sapi ada kekurangan misalnya dia punya badan ada luka kong tu fisik besae kita musti katu terbuka supaya tu orang yang mo babeli le senang kalo tahu lebeh dulu itu kekurangan. Setelah itu torang katu baku tawar harga yang cocok. Jadi karena so baku tahu, itu kegiatan tawar menawar ndak lama dia punya waktu kong so baku jadi kong torang baku bayar deng bataria ces*

*yang artinya so jadi.*" (Interview, May 5, 2011)

The statement of Mr. Lepa certainly shows the power of social capital in the form of rules that controls clearly the human's behavior under the rule. The rules encourage in giving positive effect for those who do activity within the market. Although in accordance with economic principles to get the largest profit possible, for the sake of common interests it is neglected a little.

#### 4 Social Capital Value

Value is an idea that has been passed down through generations that is considered righteous and important by the members of social groups (Prasetya, 2008:1)

##### 4.1. Cultural Value of Mapalus to Help Each Other Among Tukang Blante and the Brokers

In Kawangkoan society, the society's activities are influenced by life values of the society in the form of life value of religion and culture that are adherent and inseparable from one another. Cultural value like tradition is still strongly upheld in the life of the society and remains preserved as cultural inheritance of their ancestors. Kawangkoan society still preserves their cultural value in a form of Mapalus, a form of social cooperation among the members of of Minahasa society to help each other (*me-lo''or2an*) and assist each other (*men-sulesulean*) in facing life constraints either individually or communally. This cooperation includes various activities either individual or economic activity.

Activities of commerce in Pasar Blante apparently are influenced by Mapalus culture, which is closely adherent to the society. Society who strongly uphold and observe Mapalus culture lead a better quality of life than those who no longer observe it. It is such a pride for those who do activities at Pasar Blante to uphold their Mapalus cultural value. Because it will foster the activities of commerce within

the society and will give large benefits to whoever apply the Mapalus culture.

People who are active in Pasar Blante feel proud if they are able to preserve values in Mapalus culture. That will support trading activities in society and benefit those who apply that Mapalus culture.

#### CONCLUSION

The economic activity in Pasar Blante until today is still sustainable. It is due to the role of social capital on the chain of activities of economic actors. This social capital is identified in various forms developed by the cattle owner with several parties, namely other cattle owners, *maantung* (animal farmhand), *tukang blante*, *brokers*, *cukong* and consumers of beef cattle. These forms of social capital are trust, network, norms and values.

The four forms of social capital are elaborated in accordance with each of its part. Like social capital of trust can be found: the facility in giving fodder, system of even profit share, payment postponement after transaction, authorizing fully for selling, the provision of good quality meat, accurate distribution of information. Subsequently, the social capital of network is; exchange of free information, the availability of stock, the provision of bonus as expression of gratitude for the easy access of information, easy and fast product marketing.

The social capital of norm is built by economic actors in Pasar Blante, in: transaction deal is indicated only by handshake, commitment to the agreed price that never changes, having authority to sell animal upon the first time holding the cow's rein, fair and wise treatment to all economic actors in Pasar Blante, to shift the ownership, it is enough without receipt, but handshake, transparency on the quality of cow that will be sold. And social capital of value, which is strongly influenced by religious and cultural value still prioritize life with openness and honest behavior

in doing any activity to produce economic benefits for various parties.

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