

The Role of Social Capital and Local Wisdom Towards the Development of The Blue Economy

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Abstract: This study aims to examine empirical evidence that social capital and local wisdom have influences on the development of the blue economy. The research approach uses mixed methods, namely quantitative and qualitative methods. To examine the effect, researchers used regression tests. Furthermore, to strengthen the results of quantitative tests, researchers deepen them using descriptive-qualitative methods. The results show: 1) social capital has influences on the development of the blue economy. Social capital could generate economic resources; 2) Local wisdom influences the development of the blue economy. Local wisdom refers to controlling the behavior of people in coastal areas so that natural resources can be used wisely. The uniqueness of this study is that this research uses a mixed method and is based on the local values of the Madurese. The results of this research can be a foundation for local governments to further develop and optimize blue economy resources for community welfare. The limitations of the research are in its scope which is only limited to Madura Island so that the implications can only be used as a benchmark in the region.

Keywords: blue economy, social capital, local wisdom, Madura.

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INTRODUCTION

The issue of blue economy in Indonesia is still relatively new and has not been developed by many practitioners and researchers. Until now, the Indonesian government is still looking for patterns and forms of blue economy development. Therefore, this research is important to help find patterns of relationships between several factors that influence the development of the blue economy.



The concept of blue economy is to control and manage marine products, aquatic products, and maintain ecosystems in waters, seas, and beaches (Banu, 2020; UNECA, 2021; Choudhary et al., 2021). The blue economy program is a program that is expected to solve various problems such as environmental sustainability problems and energy crises (Ervianto, 2018; Murty & Hudiwinarsih, 2012; Saha et al., 2019; Sitorus, 2018). Even the blue economy is able to overcome economic problems, waste problems, and waste.

Indonesia is a maritime nation, with its territory predominantly comprising and surrounded by seas. Approximately 70% of Indonesia's territory consists of water, while only about 30% is land (Wicaksana, 2017). Another characteristic of maritime countries is that Indonesia uses its territorial waters or seas for shipping (Anwar, 2020; Nurim & Asmara, 2019; Sutardjo, 2014). Therefore, efforts are needed to optimize the utilization of enormous marine resources to improve the economic welfare of the Indonesian people while considering the sustainability of resources for future generations.

The blue economy approach used in marine development will be able to overcome the existing dependence between the economy and the ecosystem (Nham & La, 2023). Marine economic development according to the blue economy model must provide certainty about the sustainability of available resources, the balance of ecosystems and the environment and encourage efficient use and management of resources. The maritime development model by applying the blue economy concept will better help overcome any problems or challenges of climate change (Rani & Cahyasari, 2015). The blue economy is a combination of environmental health with economic benefits obtained from the utilization of marine resources that are large enough in number and type (Wenhai et al., 2019).

Natural resources are abundant, but on the other hand over exploitation will have a negative impact on the environment. The development continues, followed by growth and creation of more industries across the country and positively impacts economic growth. The development also has a negative impact on the load-carrying capacity and environmental carrying capacity.

So far, Indonesia's economic policy tends to rely more on the concept of green economy. A concept that focuses on land produce and resources such as: plantations, agriculture and forestry. In fact, the results of agricultural and cultivation activities still have many shortcomings that need to be considered to ensure environmental sustainability in the future (Ramish et al., 2021; Saksono, 2013; Zhyhlei et al., 2020).

According to (Pauli, 2010), the blue economy is a refinement of the second generation Green Economy. Blue economy is defined as activities that can generate profits that will be owned and carried out by local residents and not limited by natural resources alone. The blue economy is not only limited to the fisheries and aquaculture sectors, but can also be developed in the tourism, transportation, and mining sectors. The blue economy was built as an idea to develop economic activities in a wider scope but only produce a small amount of waste, and try to minimize excessive use so as to create effective and efficient economic activities. The right and relevant blue economy concept is applied by carrying out more creative and innovative economic development as well as effectively and efficiently utilizing marine natural resources (Morgan et al., 2022; Sutardjo, 2014).

Social capital is defined as a set of informal values or norms shared among members of an interrelated group of people, which are based on the values of beliefs, norms, and social networks (Sánchez-Arrieta et al., 2021). Social capital is an important aspect in supporting good economic growth and development. The economic situation in this region will be prosperous and can improve, due to connectivity and accessibility factors

Studies in several countries conclude that social capital plays an important role in achieving economic success (Barus, 2021; Hasan & Yun, 2017; Maulidah & Setiajidi, 2021). This study shows the role of social capital in building collaborative relationships between communities and financial institutions to contribute to the

development of community enterprises. The success of social capital is due to the basic principles of social capital which emphasize the importance of maintaining good relations and trust between community members and those who provide support accompanied by collateral in the form of guarantees provided by lenders.

Local wisdom is a concept or view that grows from a certain area in which there is deep and noble wisdom. This concept has good values that are embedded in the culture and embraced by its citizens. Local wisdom is the result of continuous adaptation over the years to the natural environment in which they live and then becomes the foundation of a way of life that is passed from one generation to the next. Local wisdom is a way of life of the community in relation to the natural environment of a particular area. With local wisdom, social order and the environment can be sustainable and maintained (Ekasari et al., 2020). The character of the local people has never faded. Although the existing local wisdom may be very traditional, the presence of local wisdom is very important for the local community. Local wisdom can not only be used as a guide in acting and behaving, but also has certain functions.

The function of local community wisdom (1) is to make people aware of the importance of natural resources around them. Local knowledge can actually help encourage people in an area to implement conservation measures. (2) constitutes advice, beliefs and prohibitions; that must not be violated and beliefs that are adhered to. (3) is the main characteristic of the community that makes this area unique and different from other regions in Indonesia.

Social capital is a characteristic of individual and group human resources that facilitate groups in carrying out collective actions, cooperation, and maintaining norms formed in society (Ali et al., 2011; Grootaert, 1999; Pilatin, 2022). Social capital has the ability to generate economic resources. This social capital plays an important role in unlocking the potential of individuals. Social capital in a society can improve welfare and even minimize conflict (Syahriar & Darwanto, 2015).

The results showed that there is a significant influence of social capital on the development of the blue economy. This supports the research of (Atilgan et al., 2023; Grootaert, 1999) who stated that basically social capital is a very important aspect in creating better economic development in an area. Next (Allameh, 2018; Jalil et al., 2021; Sudarmono, 2021; Syahriar & Darwanto, 2015) also stated that social capital plays a very vital role in economic development. Social capital is a very effective bridge in connecting sub-systems that grow in society.

Local wisdom basically involves controlling the behavior of people and communities in coastal areas so that natural resources can be used wisely while still paying attention to the principles of environmental sustainability. The role of local wisdom of a region is very important in sustainable economic development. The results of research by (Touwe, 2020) stated that local wisdom strongly supports the success of developing blue economy or maritime resources. Similarly, research (Jayakusuma et al., 2023) states that improving sustainable marine management and marine conservation in order to realize economic growth always uses the principle of community involvement. The influence of local wisdom on the development of the blue economy has been proven in (Hilmawan et al., 2018; Hardaningrum & Soetjipto, 2018) stated that local wisdom plays a role in efforts to provide sufficient food based on one's own abilities, namely increasing local wisdom and utilizing biodiversity.

Based on the urgency and phenomena above, the formulation of the problem raised in this study is: 1) Is the development of the blue economy influenced by social capital? 2) Is the development of the blue economy influenced by local wisdom? 3) How do local values grow in the development of blue economy utilization? The next stage of the purpose of this study is to examine empirical evidence regarding the role of social capital

and local wisdom in the development of the blue economy of Madurese society based on the cultural value of “*Abenthal Omba’ Asapho’ Angin*”. In addition, this study aims to explore existing and growing local values in the utilization of the blue economy. The expected research contribution is to be able to provide an understanding of the importance of increasing the use of the blue economy for coastal communities and the efforts that must be made to preserve the blue economy.

METHODS

The approach used is a mixed method, which is a combination of quantitative and qualitative both at the data collection stage and all stages of the research process (Creswell, 2020; Samsu, 2021; Sugiyono, 2018). The mix method approach will be able to answer questions that cannot be answered in more depth in quantitative research (Creswell, 2020). This research was conducted in cities on Madura Island. The data needed are data on social capital variables, local values and blue economy development from blue economy business actors. The informants involved for qualitative data as reinforcement of quantitative research are fisheries entrepreneurs as the main informants.

To examine the influence of social capital and local values on the development of the blue economy, researchers used regression analysis methods. The multiple linear regression equation model is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Information:

Y = Blue Economy

X₁ = Social Capital

X₂ = Local Wisdom

e = Error

To strengthen the analysis of quantitative test results, researchers will deepen research using descriptive-qualitative methods that focus on fact-based problems carried out by observation, interviews and document studies.

The operational definition of each variable to be tested in this study includes blue economy variables consist of several indicators, namely 1) utilization of marine resources, 2) supporting economic welfare, and 3) preservation and sustainability. The variable indicators of social capital are, 1) network of social relations, 2) mutual assistance, 3) norms, values and beliefs and 4) social regulation. Then the variables of local wisdom include several indicators, namely 1) local knowledge, 2) social processes, 3) local skills, 4) local educational values, 5) local decision-making mechanisms, and 6) local religious values.

RESULTS AND DISCUSSION

Madura Island is famous for its coastal and coastal life. Land along Madura from the western end of *Kamal* city to the eastern end of *Kalianget* city. Madura Island is also called the salt island, because Madura Island is the largest salt producing island in Madura, because the location of Madura Island is very strategic for salt producers. Madura Island has the potential for many resources from the sea, which can be used as the livelihood of the Madurese. Some of the jobs of the community along the coast of Madura include fishermen, salt pond farmers, seaweed farmers, and scrap metal entrepreneurs. Madurese society is shaped by marine life that is full

of challenges and high risks. Therefore, it takes mental, physical courage, hard work and tenacity, in Madurese society known as “*Abhental Ombha, Asapok angin*”. In the questionnaire distribution activity, as many as 130 questionnaires were distributed to respondents. A detailed description of respondents can be seen in Table 1.

Table 1 Response Descriptive

No.	Type of Respondent	Total Income Per Amount
1	Scrap Iron Workers	4,900,000.00
2	Scrap metal dealer and owner	9,076,923.08
3	Salt Workers	6,165,217.39
4	Capital owner and salt trader	7,333,333.33
5	Fishermen's Workers	2,353,448.28
6	Merchant and Fishing Boat Owner	8,370,731.71

Source: Data processed (2023)

Based on Table 1, the average weekly income of scrap metal workers, scrap metal traders and business owners, salt workers, capital owners and salt traders, traders and boat owners are relatively high. This means that the utilization of the blue economy is profitable. From a blue economy business, workers will have lower incomes than owners and traders.

The classical assumption test in this study consists of normality test, heteroscedasticity test, and multicollinearity test (Sugiyono, 2014). All test results show 1) the data can be normally distributed, with this regression model meets the normality requirements. 2) The heteroscedasticity test concludes that from both social capital (X₁) and local wisdom (X₂) variables there is no heteroscedasticity in the regression model. 3) There are no symptoms of multicollinearity in the regression model.

Hypothesis testing in this study used multiple linear regression tests. Multiple linear regression tests aim to determine the relationship or influence between the independent variable (X) and the dependent variable (Y). Here are the results of the multiple linear regression test (Table 2).

Table 2 Multiple Linear Regression Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	16.947	4.899		3.459	.001
1 Social Capital	.164	.052	.244	3.131	.002
Local Wisdom	.217	.042	.400	5.132	.000
a. Dependent Variable: Blue Economy					

Source: SPSS Test Results (2023)

Based on the results of the multiple linear regression test above, the multiple linear regression equation model is as follows:

$$Y = 16.947 + 0.164X_1 + 0.217X_2 + e$$

The results of multiple linear regression equations can explain that social capital and local wisdom affect the blue economy. 1) The regression coefficient of the social capital variable (X_1) is 0.164 sig value $0.002 < 0.05$ with a positive value. So, this can show that the social capital variable (X_1) increases, the blue economy will increase. 2) The regression coefficient of the local wisdom variable (X_2) is 0.217 sig value $0.000 < 0.05$ with a positive value. So, this can show that the variable of local wisdom (X_2) increases, the blue economy will increase. Based on the results of the regression test above, it can be concluded that the variables of social capital (X_1) and local wisdom (X_2) have a positive effect on the blue economy (Y).

Social capital is a characteristic possessed by each individual and human resource group that makes it easier for the group to carry out collective actions, cooperation, and maintain the norms formed in society (Saz-Gil et al., 2021; Georgiadou & Syed, 2021; Supriyanto & Fitria, 2022). The results of social capital variable data processing include several indicators, including 1) social relationship networks, 2) mutual assistance, 3) norms, values, and beliefs and 4) social regulations have a significant influence on the development of the blue economy. Variables consisting of several indicators are 1) utilization of marine resources, 2) supporting economic welfare, and 3) sustainability and sustainability.

According to Aji & Faniza (2022); Ngurah & Utama (2018), social capital has the ability to produce economic resources. This social capital plays an important role in unlocking the potential of individuals. In other words, social capital is needed to develop society as an input to economic productivity. Social capital in a society can improve welfare and even minimize conflict (Syahriar & Darwanto, 2015; Gannon & Roberts, 2020).

The results showed a significant influence of social capital on the development of the blue economy. This supports (Atilgan et al., 2023; Grootaert, 1999) research which states that basically social capital is a very important aspect in creating better economic development in an area. This is because this business is needed by the community for its survival and this cannot be separated from the role of social capital, namely the network of groups that work together in an organized manner.

Furthermore, Sudarmono (2021) also stated that social capital plays a very vital role. Sustainable development governance is an ideal expectation for every society. Social capital is a very effective bridge in connecting sub-systems that grow in society. Furthermore, Vipriyanti (2011) stated that several provinces in Indonesia have achieved successful development programs, one example is Bali. But behind that, it turns out that this region even in the world cannot be separated from inequality between regions.

Allameh (2018) research shows that social capital will result in a better understanding of how small island and coastal communities develop small economies to improve living standards. The results of this study support the results of previous studies including Jalil et al. (2021); Sudarmono (2021); Syahriar & Darwanto (2015) which stated that social capital as a mediation formed by voluntary organizations that have a very significant positive influence on human development. Binding social capital formed by strong family ties negatively impacts human development, but significantly improves the quality of life

Finally, the research of Grøn & Svendsen (2013) also supports the findings of this study which states that a balance between three types of social capital—bonding, connecting, and linking—is necessary to achieve high levels of well-being and work system performance. Therefore, key actors in the shipping sector should consider “blue” social capital to improve work efficiency and economic performance.

To strengthen the results of quantitative tests that prove that social capital has a significant influence on the development of the blue economy, here we present the findings of qualitative research from informants related to the development of the blue economy in Madura, including salt farmers, fishermen. and scrap metal business on the coast.

The results of interviews with informants about belief as an element of social capital show that the sea for them is a real and long-lasting source of livelihood (blue economy), both for salt farmers, fishermen, and scrap metal entrepreneurs on the coast. The sea is their lifeblood (economic dimension), as revealed by a fisherman informant:

“For us the sea is like our own home, day and night we live in the sea. Sometimes I sleep in the middle of the sea waiting for a fortune from the sea that can be brought to my family. It does not feel like we are one with the sea, because we believe the sea around our homes is God’s gift to us as a means of livelihood.”

The scrap metal informant on the beach asserted that no other mind was at work than in the sea around them:

“I feel very at home here and I get a lot of sustenance here so that my children can go to school and study in Malang. Our lives come from the sea that has been passed down for a long time by our grandparents. We have an obligation to carry on these traditions and customs. Because we believe our fortune comes from the sea from birth”

In line with other informants, one of the salt farmer informants added that in addition to believing that the sea has provided abundant and lasting livelihoods since time immemorial, we also still have to look for it and work hard. As he stated:

“You can’t just be lazy, sir, from childhood we have been taught by our father to work under the hot sun every day. In the sea we are used to waves and wind, our main thought is to bring fortune from the sea. Children are happy to be able to earn tuition and other pocket money”

From the informant’s statement above, it can be seen that for them the sea has been a source of livelihood (blue economy) that has been running for a long time and inherited from their ancestors. In fact, all parents always educate their children from childhood to help and learn to make a living at sea.

The development of the blue economy in the sea requires social interaction with various parties. The network of social relations as one of the elements of social capital plays an important role in the development of the blue economy. In this social dimension, all blue economy business actors in the sea cannot be separated from interaction with various parties, as stated by the informant:

“Our form of cooperation is to help each other if there are neighbors who do not get results today, usually the village head coordinates the assistance to them. At least they will lend first, and tomorrow or so far, they will be replaced with the results of their efforts. Sometimes when we build fishing gear or boats, everyone is happy to help us. It is also good for us; all neighbors are willing to work together to help each other”

In their daily lives, coastal communities have very good habits in establishing communication. They form small groups and large groups as a place to share stories and complaints about problems. As the informant reveals,

“We have regular groups and meetings every month. The existence of these meetings and associations is very important for us to discuss many things such as problems or new ways or information from the village head. Even from these regular friendships and meetings, we are increasingly united with residents, a sense of community is increasing in making a living. The proof here is that there are no people whose lives are very poor, because we try to help each other”

So, in Madurese people who utilize blue economy resources, solidarity and concern have been built among them. They build the economy with a spirit of togetherness and sharing feelings and sharing happiness.

Local wisdom in natural resource management, especially coastal areas, essentially involves controlling the behavior of people and communities in coastal areas so that these natural resources can be used wisely while still paying attention to the principle of environmental sustainability which is a process (Touwe, 2020). The importance of the role of local wisdom in an area is explained by (Hilmawan et al., 2018; Hardaningrum & Soetjipto, 2018), which describes local wisdom as: “The natural resources of an area belong to its people, its communities” or the use of strategies to achieve community-centered development where the area is the center of decision-making regarding sustainable use of its resources.

In this study, local wisdom variable data includes several indicators, namely 1) local knowledge, 2) social processes, 3) local skills, 4) local education values, 5) local decision-making mechanisms, and 6) religious values. Local areas have a significant influence on blue economy development variables consisting of several indicators, namely 1) utilization of marine resources, 2) supporting economic welfare, and 3) preservation and sustainability.

The results of data analysis show that there is a significant influence of local wisdom variables on the development of the blue economy. This finding is in accordance with the results of Jayakusuma et al. (2023), stated that local wisdom strongly supports the success of blue economy development. The results of Ekasari et al. (2020) research found that sustainable marine management and conservation of marine and coastal resources and their ecosystems are increasing in order to realize economic growth.

The importance of the role of local wisdom in developing the blue economy is also in line with what Nurim & Asmara (2019); Sutardjo (2014) stated that in implementing the blue economy, concrete steps are needed in utilizing marine resources based on local wisdom. This effort is to protect biodiversity and ecosystems in an environmentally friendly manner and control marine pollution and the impact of climate change. The results of this study are also in line with Ekasari et al. (2020) research that the management of marine and coastal resources basically has the aim of improving the welfare of all communities (social-well-being) in a sustainable manner, especially local communities who live in coastal zones.

The results of the quantitative test show that the significant influence of local wisdom on the development of the blue economy are further strengthened by the findings of qualitative research from related informants.

The concept of business continuity or sustainability that becomes the local knowledge of the community is one element of local wisdom. It turns out that in practice these values have been thought out and applied by actors or users of the blue economy. This is evidenced by the results of interviews with 3 types of businesses,

namely salt farmers, fishermen and scrap metal entrepreneurs on the coast. All agreed to support and continue to make efforts to maintain their survival from the sea. As some fishermen's informants put it:

"See for yourself sir, the tools we have are very simple and tend to be traditional. We got the tool from our great-grandfather and not much has changed. But it turns out that with these tools we can get enough fortune for our daily lives. We know that in other places it is said that the tool is more modern, but we don't like it because we use this tool quite often. It's cheap and you can still make a lot of money"

The use of traditional tools carried out by informants is actually enough to support their daily lives. In fact, they still have time to save even a little, as the shipowner's informant reveals,

"If you use modern equipment, besides being expensive, it will also damage fish and trees in the sea. There used to be some people who used it and there were a lot of results, but after that the fish was no longer there. It damages the sea. Therefore, we don't use it anymore. We don't want to be greedy. The important thing is that our sustenance is enough for one day. As long as tomorrow and the following days are still there"

The village head who is also the owner of salt business capital confirmed what the informant had said earlier. As a village administrator who has the task of maintaining village life, he also tries to regulate it, as stated,

"Wow, I have banned it because it harms many people. In the past, some people used modern equipment, including seawater bombs. For a week we couldn't make a fortune at sea because everything was broken. Therefore, we made regulations in this village for salt farmers, fishermen, and scrap metal business actors to no longer use modern tools that damage the environment"

Awareness to consider sustainability and survival of livelihoods in the sea (blue economy) seems to have become a common spirit in the coastal areas of Madura. For them, destroying the marine environment is tantamount to destroying the livelihoods and future of their own children and grandchildren in the future.

The manifestation of the implications of local wisdom that has been practiced in the community is about local religious values. In its spiritual dimension, the blue economy is interpreted as giving extraordinary power to its servants, namely fishermen, sea scrap metal merchants, and salt farmers. They always instill gratitude, trust and an attitude of trust from the beginning, as the following informant expressed,

"I am very grateful that Allah made it easy for me to provide good sustenance for my family. No need to look far, just in front of the house is available. Where else are you going, just persevere and confident of the fortune of God and He who is in control"

Many businesses in the sea (blue economy) can actually be occupied. Starting from marine resources, fish, waters, trees and beaches. If it can be developed further, it will be able to improve the community's economy, as revealed by the informant,

“If you want and persevere, there are actually many sources of life in this sea. God is wonderful in giving us. It’s just that maybe we need to learn to look for other potential beyond what we are used to. But we don’t have time to learn anymore. We need to be taught to develop other businesses so that this village can progress faster, not only fisheries and salt. If you can, please do it as soon as possible”

But in the life of blue economy businesses, actors (marine resources) are not always successful and comfortable. Like life elsewhere, there must be many trials and trials. Including dealing with seasonal uncertainty that has occurred so far, as revealed by informants,

“My income also depends on the weather. If the weather is windy and it rains heavily, we have to rest for days to be safe. If the weather or season is uncertain anymore, it will be an obstacle for our business. Unlike in the past when summer and rainy season arrived on time. But it can’t be helped, just believe in God who gives us good fortune”

Based on the informant’s statement above, it is proof that the sea as a source of blue economy is actually God’s gift to His servants. Therefore, we need to be grateful for it by maintaining its sustainability and keep trying.

The discussion presented above shows the importance of this research in proving the role of social capital which includes networks of social relations, mutual assistance, norms, values and beliefs, social regulations and local wisdom consisting of local knowledge, local social processes, local skills, and local wisdom. Local educational values, local decision-making mechanisms, local religious values are all capable of influencing the development of the blue economy. Therefore, the consequence is that in order for the blue economy to develop, it must accommodate and maintain the capital and local wisdom that exists in the community. This research has the novelty of developing local wisdom based on the values of “*abenthal ombak, asapok angin*” which is a symbol of hard work and love for nature for the people of Madura and is owned by almost all of its citizens in preserving nature. their life by sea.

CONCLUSION

Social capital has a very significant influence on the development of the blue economy. Social capital is a characteristic possessed by each individual and human resource group that makes it easier for the group to carry out collective action, cooperation and maintain the norms formed in society. Local wisdom has a very significant influence on the development of the blue economy. Policy essentially concerns controlling the behavior of people and communities in coastal areas so that natural resources can be used wisely while still paying attention to the principles of environmental sustainability. The implication of the findings of this study is that the people of the Madura islands must always maintain local values in maintaining the sustainability of the blue economy business, while the government must be able to be aware of irregularities in excessive exploration of marine resources. The limitation of this study is that not all business fields in coastal areas or islands are very diverse, not limited to fishermen, salt farmers, and scrap metal. There are many other types of business informants that are no less numerous. Future research can develop spirituality variables and economic variables related to blue economy development efforts. In addition, local value variables can also be tested in other locations that have uniqueness in developing the blue economy other than on Madura Island.

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