

**HUMAN CAPITAL AND SOCIAL CAPITAL ROLES ON ECONOMIC RECOVERY IN
THE MOST SERIOUS DAMAGE AREA ON YOGYAKARTA EARTHQUAKE
DISASTER 2006.**

(CASE STUDI IN PUNDONG SUBDISTRICT, BANTUL, YOGYAKARTA)

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Abstract

The Yogyakarta earthquake’s epicentrum in the year of 2006 was located in Pundong. Pundong subdistrict of Bantul regency was the most serious damaged area on this disaster. The total killed victims were 5857 which was 50% of them were Pundong’s people. Most of them were farmers. As their rice fields damaged, they had to get other jobs to earn their living. This research is aimed to analyze the factors that influence the economic recovery in Pundong subdistrict, by studying the influence factors of hc&sc roles that bring impacts to the growth of the SME’s in Pundong subdistrict.

This research is a qualitative research. The data are collected by Observations; Depth interviews and FGD (Focus Group Discussion). The result of this research is that Human Capital and Social are the main factors to the increasing of the growth of entrepreneurs in Pundong subdistrict, Bantul Regency, Yogyakarta. The Human capital indicators are: knowledge, self motivation, ability, competency, technical skill and attitude. The Social capital indicators are: Social awareness, Social intelligence, net working, living style, the willingness of working together (*gotongroyong*). While the indicator of the economic recovery is the increase of the SME’s number in the area of study and the sustainability of their businesses.

Keywords: Human capital, Social capital, SME’s, Economic Recovery

A. Introduction

The Yogyakarta earthquake's epicentrum in the year of 2006 was located in Pundong. Pundong subdistrict, Bantul regency was the most serious damage area on this disaster. The total killed victims were 5857 which was 50% of them were Pundong's people. Most of them lived as farmers. The houses and all kinds of buildings were destroyed, including their rice fields. Many people lost their jobs and their daily activities, besides that some of them lost their relatives. But within two years, Pundong had been able to recover. Even after ten years, the SME's growth increases significantly. By the rapid recovery, it arises many questions. As Sri Sultan Hamengku Buwono X said in the dialog forum in April 9, 2016 at Potrobayan, the epicentrum disaster area: " I was invited in many countries to speak about how Yogyakarta can recover rapidly after suffering from earthquake disaster 2006... and I answered that we had local wisdom namely "gotong royong" and the people have the spirit of creativity in their leisure times. It is very interested to find such scientific explanation in order to understand how the recovery happened. So, it can be imitated in another place that suffers from the earth quake disaster.

This research aimed to analyzing the role of Human Capital and Social Capital in the economic recovery in Pundong subdistrict, by studying the influence factors on the growth of the SME's in Pundong subdistrict, Bantul regency, Yogyakarta.

B. Literature Review

1. Human Capital

The world Human Capital was instigated by Schultz in 1981 but this term was explained later in 1981 as all the capabilities of an individual must be taken into consideration whether these competencies are inherent or learned. Those characteristics of a person that create or add value to the organizational operations is regarded as Human Capital (Siddiqui, 2012).

For over three centuries, economists have been interested in valuing the productive capacity of the workers in an economy. The human capital can be defined as “the stock of knowledge, skills, competencies, and abilities embodied in individuals that determine their level of productivity. In principle, it includes innate abilities, and skills acquired through education, training and experience” (Medard, Djomo, and Sikod, 2012). On a macro level, it is also common to measure the economy’s human capital by the rates of enrolment in elementary and secondary schools and in post-secondary institutions. It is assumed that the high enrolment rates in education, and training institutions indicate that more people are accumulating human capital, and that the workforce, as a whole is becoming more productive. Indeed, countries with high enrolment rates in education and training institutions tend to enjoy higher productivity, high living standards, and faster economic growth (Medard, Djomo, and Sikod, 2012).

So most authors (Bontis & Fitz-enz, 2002; Davenport, Pmsak, & Wilson, 2003; Edmonson, 1999; Edvinson & Malone, 1997; LA.D.e.-C.I.C, 2003; Kaplan & Norton, 1999; Roos et al., 1997) agreed that human capital can be defined as “the value of the knowledge and talent which is embodied in people who make up the organization, representing its know-how, the capacities, the knowledge, talent, competence, attitude, antellectual ability, creativity, and others” (Helena et al, 2010).

2. The Concept of Social Capital

The term “capital”, according to the Merriam-Webster Dictionary, refers to “accumulated wealth, especially as used to produce more wealth (p.115).” it is usually identified with tangible, durable, and alienable objects, such as buildings and machines,

whose accumulation can be estimated and whose worth can be assessed (Solow,2000 in Qianhong Fu, 2004). As field says, in economic thought, the term “capital” originally meant an accumulated sum of money, which could be invested in the hope of a profitable return in the future (Field, 2003: 12)”. Bourdieu has argued that capital exist in three fundamental forms: economic capital that can be directly convertible into money and institutionalized in the form of property rights; cultural capital that maybe convertible into economic capital and institutionalized in the form of educational qualification; and social capital, made up social obligation that can be convertible into economic capital and institutionalized in the form of a title of nobility (Bourdieu, 1986, 243). So different forms of capital are inter-convertible.

The concept of social capital has received considerable attention recently among sociologists, economists, and political scientists. Irrespective of disciplinary focus, there is growing consensus among researchers that three leading figures, Bourdieu, Coleman, and Putnam, have made great contributions. These three writers have been described as having created “relatively distinct tributaries” in the literature on social capital (Foley & Edwards, 1999:142). Bourdieu and Coleman emphasize the role of individual and organizational social ties in predicting individual advancement and collective action. By contrast, Putnam has developed the idea of association and activities as a basis for social integration and well-being (Edwards, 2001). Despite these differences, all three of these scientists argue that social capital inheres in personal connections and interpersonal interactions, together with the shared sets of values that are associated with these contacts and relationships. Lin (2001) refers to these connections as social networks “the social relationships between individual actors, groups, organizations,

communities, regions and nations that serve as a resource to produce positive returns (p.6).” the major composition of network is size (the number of ties that a person has in his personal network) and heterogeneity (the tendency toward similar or diverse actors within a network). The structure of a network refers to the relative density of links among people within it that facilitate to the flow of information and the provision of social support to the social structure in which a person or a tie is embedded (Wellman & Frank, 2001).

C. Methods

This research conducted as Field Research. The definition of Field Research is any activities aimed at collecting primary (original or otherwise unavailable) data, using methods such as face to face interviewing, telephone and postal surveys and direct observation ([www. Businessdictionary.com/definition/field-research.html](http://www.Businessdictionary.com/definition/field-research.html)). The data was collected by direct observation, Depth interview with key persons, formal and informal leader, Focus Group Discussion with epicentrum area community , and documentations.

D. Discussion

May 27th, 2006, Saturday 05.53 West Indonesia Time, a powerful earth quake measuring 6.2 on the richter scale and 17 km deep struck just off Indian ocean, for 57 seconds shaked Yogyakarta. Total killed victims 5.857 persons, injured 36.300 persons, 154.000 houses totally destroyed, 260.000 damage (Social Department of Republic Indonesia), Total lost estimated US\$ 3.1 billion (CGI, 2006). This tectonic epicentrum located at 8.2 North Latitude. 110 East Longitude, 37 km southern Yogyakarta in Potrobayan, Srihardono village, Pundong subdistrict, Bantul regency.

Different to the others, the conditions of the area of study needs only two years to recover. There was good coordination among government's department also between local government and the central government. Disaster handling management coordinated by national institution Bakornas. The governments provided contributions for housing recoveries, IDR 15 million each for total damaged house, IDR 9 million for hard damaged house and IDR 6 million for little damaged house (Social Department, 2006). The people rebuilt their house with 'gotong royong' model (the community working together to forward a collective aims without any payment). One by one in turned the houses recoveries relatively in short time. The first priority was rebuilt broked house belongs to a family whom have baby, pregnant woman and old people. There was local wisdom in Yogyakarta namely "mamayu hayuning bawono" that more or less means people should lives together peacefully and establishing the earth a perfect world to live for human being and the natural environment. This spirit became attitude of the people of Yogyakarta as social intelegence, social awareness, the willingness to working together without payment as common we said "gotong royong". Gotong royong had had been the spirit of the Yogyakartanesse to recover from earth quake disaster (Sri Sultan Hamengkubuwono X, the governor of Yogyakarta, 2016). As from FGD, Mrs Prapti provides her house-hall as a ware house and distribution center of goods for disaster victims. Mr. Argan whom a policeman leads for the securities, Mr Parjono whom work in Sarjito Hospital, looks for help to the doctors and the medicine. This net working was very helpful. Transfer of knowledge happened when the people working together building houses. Three expert was hired and paid to leads the local people builds their houses. But after several time and built many houses, the local people that used to be a farmer get an ability and became competent in building houses.

The money given from government not enough to rebuild the house. IDR 15 million only enough for buying iron and cement. The other materials were taken from the rest of the houses. As the local people had an ability , technical skill, competencies in building houses, they works at the other place as professional to earn money. Their earning money was for finishing their houses. Mr. Dwi Parwanto is one of them. He explores his business talent in business by providing building materials. On the other side, The SMS's also grows significantly with the increasing the number of women entrepreneurs in the area of study. Most of them doing business on culinaire.

E. Results and Conclusion

1. Results

The result of this research is that Human Capital and Social Capital are the main factors on the increasing of the growth of entrepreneurs in Pundong subdistrict, Bantul Regency, Yogyakarta. The Human capital indicators are: knowledge, self motivation, ability, competency, technical skill and attitude. The Social capital indicators are: Social awareness, Social intelegence, net working, living style, the spirit of togetherness (*gotongroyong*). While the indicator of the economic recovery is the increase and the sustainability of the firm of the SME's number in the area of study.

2. Conclusion

Based on observations, depth interviews and Focus group Discusion, concluded that Human capital and Social capital as the main role in the economic recovery at the most serious damage area on Yogyakarta earthquake disaster 2006, Pundong subdistrict, Bantul regency, Yogyakarta.

F. Recommendation

The policies of Republic Indonesia Government in handling disasters and the recoveries in many aspects are really needed to be well-manage. The Sinergy of the central Government, Local Government, Local community, investors and Academicians are needed to establish the circumstances to performs the high quality of human capital and social capital in order to produce more wealth especially in the area of study

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