

## **FACTORS AFFECTING SOCIAL CAPITAL IN THE DEVELOPMENT OF ENTREPRENEURIAL BEHAVIOR IN ENBAL CASSAVA PROCESSORS**

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### **ABSTRACT**

Southeast Maluku has a food reserve plant, namely enbal cassava. As one of the local foods, Enbal has a very good opportunity to be developed because it is already known and becomes part of the life of the people of Southeast Maluku. Enbal has a social and cultural function in society. The research objectives were to describe the characteristics of energy processing, the availability of information on internal local food, supporting institutional support, social capital and entrepreneurial behavior and to analyze the factors that influence social capital in the development of energy processing entrepreneurial behavior. This research uses a quantitative approach which is strengthened by qualitative research and uses the census method. The research was conducted from November 2018 to March 2019 with a total population of 107 people who were research respondents who were members of the enbal processing group. The results showed that the age of energy processing generally ranged from the productive age. The formal and non-formal education of enbal processors are in a low category. Experience trying to be in the low category. Activity in groups is in the high category. The level of motivation and cosmopolitanism of energy processing is in the low category. The level of availability of local food information in general is still very minimal and the level of institutional support for small local food industries is in the medium category. The social capital of enbal processing is in the high category. Entrepreneurial behavior is in the medium category. The factor that affects social capital in a real and positive way is institutional support. Social capital factors do not significantly and positively influence entrepreneurial behavior.

### **I. Introduction**

Indonesia has various carbohydrate sources besides rice, i.e corn, sago and cassava (*Manihotesculenta*). According to local culture and wisdom, these ingredients are consumed as

staple foods. Maluku as an archipelago province has many potential local food sources such as sago and cassava which are used as traditional regional food. Enbal cassava is a fiber-rich traditional food made from bitter cassava (*Manihotesculenta* Crantz) which is processed into a kind of compacted flour, processed and roasted or fried into ready-to-eat food and is only produced in the Kei islands, Southeast Maluku district. Enbal processing has now developed into a home industry in Southeast Maluku Regency. Enbal local food was designated as a superior commodity by the Southeast Maluku district government in 2015. As one of the local foods, Enbal has a very good opportunity to be developed because it is well known and part of the life of the people of Southeast Maluku. Enbal has a social and cultural function in society. Enbal Processing has been carried out from generation to generation with simple methods and equipment and to date a variety of marketable products have been produced, such as flower ball, peanut sugar, cheese butter (Riryet *et al.*, 2013). Enbal products are regional superior products that are characteristic and local brands of Southeast Maluku regency. Enbal has several advantages including: 1) it is very easy to obtain results; 2) can be consumed by everyone after being processed; 3) has a long shelf life; 4) can be processed into various ready-to-eat foods (dinner menu, lunch menu, breakfast menu, and snack/snack menu); 5) the color of the processed product is pure white without preservatives; 6) suitable as a constellation. To anticipate food insecurity in the future, enbal is used as an alternative, which is used as a substitute for rice/rice. The large market opportunity for processed energy in Southeast Maluku district is not matched by the ability of the small industry for processing energy in Southeast Maluku district. This is in line with the results of research by Leasaet *et al.* (2018) which states that energy processing capacity in Southeast Maluku is still limited in terms of processing techniques, market strategies and access to business capital. For this reason, the development of entrepreneurial behavior in energy processing into a culture is one way to help minimize the limited capacity of energy processing.

Someone who has entrepreneurial behavior has the opportunity to develop and increase understanding, knowledge and the ability to increase the potential of human resources, especially in achieving the capacity as an entrepreneur (Ucbasaranet *et al.* 2005). Based on the research results of Dumasariet *et al.* (2013) note that entrepreneurship is able to encourage productivity and work creativity of farmers, creative souvenir craftsmen of coconut waste processing in several rural areas of Baturaden and PurbalinggaWetan. Superior and competitive human resources (HR) are one of the determining factors in the development of an enbal cassava processing business. As stated by Pambudy and Dabukke (2010) that in the current era of competition, it is not the agricultural commodities that are competing, but are the people behind the products. This is because in development, human resources are not just a factor of production but more

importantly are direct actors of a business. Small scale enbal processing industry processors who are also farmers themselves are human resources who plan, implement, and enjoy the processing production process. They also bear the risks and consequences arising from the entire production process that is carried out. Therefore, the development of enbal processors that have an entrepreneurial spirit which is shown through their behavior needs to be improved and becomes a necessity in facing global competition in the food industry.

Entrepreneurship occurs because of an interactive process between individuals and their environment which will ultimately influence their decisions in doing business through actions that lead to entrepreneurial concepts, namely actions that show creativity, innovation and dare to be at risk (Kasmir 2006). Entrepreneurship development efforts are not always through changes in the structure of the agricultural economy, but involve changes in social behavior patterns. One of them is through empowering local communities. One of them is through empowering local communities. The process of community empowerment should be carried out by building human capacity and community cooperation as social capital. The empowerment model will not succeed without paying attention to local wisdom (Saharuddin 2009). Social capital can increase individual awareness about the many opportunities that can be developed for the benefit of society. Social capital plays a role in the development of agribusiness entrepreneurship in Bandung district (Kadiyono 2013).

The success of the energy processing industry business is usually inseparable from the cooperation and participation of each individual energy processor. Social capital acts as a bridge between the desires of individuals and society. It will be more effective if it is used as a means of developing economic activities. Tonkiss (2000) states that social capital only has economic value if it can help individuals or groups, for example, to access financial sources, obtain information, work, start a business, and minimize transaction costs. The elements of social capital in society have an important role in the development of entrepreneurship, which includes social networks, social norms and beliefs that are formed in society. Rooks *et al.* (2009) states that, there is a relationship between the characteristics of small entrepreneur networks and their innovation performance in the context of entrepreneurship development and networks that are social capital for entrepreneurs. Energy processing business carried out by the people of Southeast Maluku district has social values and functions because it is a local wisdom that needs to be empowered. Every environmental business processor has a social capacity that can encourage and improve local enbal food processing businesses such as trust, mutual cooperation, networking, altruism which has a great influence on entrepreneurial development. With social capital, information can be spread, which in turn will facilitate the process of running a business for processors of local

enbal food businesses. This information can be in the form of better production and processing methods, administrative and financial management, as well as marketing for business expansion.

Social capital is one of the supporting factors in the sustainable development of an industry, especially small industries, because social capital plays a major role in shaping entrepreneurial behavior of entrepreneurs. This is supported by research by Prasetyo and Harjanti (2013) showing that social capital contributes to entrepreneurship because a high level of social capital can reduce transaction costs between actors, information seeking costs, supply costs, and decision making costs. The existence of social capital as a resource has an important position in the development of the local enbal food processing industry. Social capital encourages the local environmental small food industry processors to work together in achieving industrial success. Based on this, this study seeks to see the effect of social capital in building the entrepreneurial behavior of enbal processors in Southeast Maluku Regency. The objectives of this study were (1) to describe the characteristics of raw materials, the availability of information on organic local food, supporting institutional support, social capital and entrepreneurial behavior; (2) To analyze the factors that influence social capital in developing the entrepreneurial behavior of energy processing.

## **II. Research Methods**

The research is designed as a quantitative research reinforced by qualitative research and uses the census method. To obtain quantitative data, a research instrument was used in the form of a questionnaire (questionnaire), while qualitative data was obtained from observations of the communication activities of enbal processing. The research was conducted from November 2018 to March 2019. In this study, data collection was carried out by census on the entire population of the enbal processing group in Southeast Maluku Regency, which amounted to 107 processors. The data in this study consisted of primary data and secondary data. Primary data collection techniques are carried out with questions in the questionnaire in general using the choice of rating perceptions (rating) with closed questions and open questions and direct observation in the field. Secondary data were obtained from the Department of Agriculture, the Central Bureau of Statistics, the Agricultural Extension Center, the Food Security Agency, the Industry and Trade Office of Southeast Maluku Regency as well as the results of previous research which became the reference and reference in this study. The collected data were analyzed descriptively and inferential test. Descriptive statistical techniques are used to analyze the characteristics of energy processing, the availability of local food information, institutional support, social capital and entrepreneurial behavior. Respondents' answers to questions or statements regarding the availability of information on internal local food, supporting institutional support, social capital

and entrepreneurial behavior are then tabulated and statistical calculations are performed to obtain the frequency and average. Inferential analysis uses Partial Least Square (PLS) to see the factors that affect participatory communication and see the effect of participatory communication on entrepreneurial behavior.

**III. Results and Discussion**

Individual characteristics are characteristics inherent in individuals who are associated with various aspects of life and the individual's environment. Individual characteristics can be a distinctive differentiator from one individual to another. Characteristic factors of individual processors who run enbal cassava processing businesses are attributes inherent in personal or personal characteristics and qualities shown in running their business. The indicators of individual characteristic factors in this study were measured by age, formal and non-formal education, experience, group activity, business motivation and being cosmopolitan.

**Table1. Percentage of respondents based on the category of indicators for the characteristics of energy processors in Southeast Maluku Regency**

Manager Enbal Characteristics	Category	Total n=127	Percentage (%)
Age	Early adulthood (18-40 year)	19	17.5
	Adult (41-63 tahun)	71	66.3
	Late Adulthood (≥ 64 year)	17	16.2
Formal Education	Low (1-9 year)	70	65.4
	High (10-18 year)	37	34.6
Non Formal Education	Low (1-7)	103	96.3
	High (8-14)	4	3.7
Experiences	Low (1-15 year)	64	59.8
	High (16-30 year)	43	40.2
Activity in Group	Low (1-5)	49	45.8
	High ( 6-10)	58	54.2
Business Motivation	Low (1-3)	80	74.8
	High (4- 6)	27	25.2
Cosmopolitan	Low (1-7)	96	89.7
	High (8-16)	11	10.3

The results of the study in Table 1 explain that the characteristics of individual energy processing in the study area show that the age of the respondents is mostly in the adult age category ranging from the age of 41-63 years with a percentage of 66.32 percent. This age range can still be said to be at the productive age so that many respondents are still actively involved in the energy processing business. Formal education is the last education the respondents took. The majority of respondents' formal education level is in the low category, as many as 65.5 percent or 70 people. Non-formal education is education outside the respondent's school which is followed in

developing an energy processing business. Non-formal education is in the form of training / courses regarding the processing of raw materials into various types of processed organic products such as bean sugar, cassava dodol, calcium energy, crispy energy, vegetable fish energy (ekansa), mocaf flour and its preparations as well as several other products such as chips and banana jam and others. Almost all members of the training activities that have been attended by processors regarding energy processing while running a small industry are in the low category of 96.3 percent or 103 people, the high category is only 4 people or 3.7 percent. The experience of the energy processing business in Southeast Maluku district is predominantly in the low category (1 - 15 years) of 59.8 percent or 64 people. Processor experience is low because in general processors who have been running an energy processing business for 1-15 years are the first generation to try various processing businesses of various types of various flavors. Processor activeness in the group is in the high category, namely 54.2 percent or 58 people. This can happen because many processors get knowledge from the group about the processing of various flavors of energy so that the processors actively participate in group activities. Motivation is the reason underlying a business actor or a business actor's desire to run his business. The majority of enbal processors answered that the motivation to develop a business in the low category was 74.8 percent or 80 people. This is due to the limited market where processors only produce enbal when there is an order for various flavored products because the products are easily damaged. The majority level of cosmopolitan energy processing is low, namely 89.7 percent or 96 people, seen from the low level of all indicators of the cosmopolitan level of the processors, namely contact with parties outside the community, accessibility of information on organic local food processing and exposure to mass media related to news or enbal as a local food topics.

#### **Availability of Local Food Information Enbal.**

Availability of information according to type, quantity, quality, and on time when energy processing is needed in developing competitiveness of local food. Situemanget *al* (2012) state that quality information includes the relevance of information, there is novelty in the information, the information is trustworthy, easy to understand and helps solve problems. This study looked at the perceptions of enbal processors on the availability of local food information regarding processing and marketing information which were used as research indicators including relevance, completeness, sharpness, timeliness and representation of information in helping internal processors solve the problems at hand. The availability of information on enbal local food is shown in Table 2.

**Table 2. Distribution of the average score of respondents based on the indicator category of the availability of information on enbal local food in Southeast Maluku Regency**

No	Information Availability Indicators	Min	Max	Average values
1.	Relevance of information	1.00	3.00	2.0
2.	Completeness of Information	1.00	3.00	2.1
3.	Sharpness of Information	1.00	3.00	2.4
4.	Timeliness of information	1.00	3.00	2.0
5	Representative of information	1.00	3.00	2.1

Score ranges: 1-1,99= low, 2-2,99=middle, 3-4= High

n=107

Based on the data in Table 2, it is known that the average score of the responses of the enbal processors to the information relevance indicator is in the medium category of 2.0. The category value of the information relevance score on processing and marketing of internal local food shows that the sources of information (research institutions, related agencies from local government, extension workers) have not been optimal in delivering messages relevant to the needs of energy processors. The average score of the responses of the enbal processors to the indicators of completeness of information is in the medium category of 2.1. The completeness score category score is not a complete unit of information. To get complete information, the enbal processor must visit the related offices to confirm the correctness of the information. The average score of the responses of the enbal processors to the indicators of information acuity is in the medium category of 2.4. The category value of the information sharpness score on processing and marketing of internal local food shows that the amount of information obtained has not shown a difference between one option and another regarding processing technology and marketing of enbal cassava. The absence of information on product innovation that is different both in terms of form and benefits obtained from information sources. The average score of the responses of the enbal processors to the indicators of timeliness of information is in the medium category of 2.0. The category value of the timeliness score of information on processing and marketing of internal local food shows that the amount of information obtained from information sources has not been on target and on time according to the needs and problems of the internal processors regarding processing and marketing technology. The average score of the responses of the enbal processors to the indicator of information representation is in the medium category of 2.1. The category value of the representation score of information on processing and marketing of local organic food shows that the amount of information obtained from information

sources to the energy processor is not sufficient to have the overall reality (representative) in making decisions about processing technology and marketing of cassava / energy. This can occur due to the difficulty of obtaining information about energy processing from information sources (research institutions, related agencies from local government, extension agents) or from the mass media.

### **Enbal Local Small Food Industry Supporting Institutions**

The Indonesian government has shown tangible concern for SMIs by issuing law number 20 of 2008 concerning micro, small and medium enterprises. This law sets out the criteria for micro, small and medium enterprises. The contents of this law state that the government and local governments will foster a business climate by establishing laws and regulations and policies covering aspects of (1) funding, (2) facilities and infrastructure, (3) business information, (4) partnerships, ( 5) business licensing, (6) business opportunities, (7) trade promotion and (8) institutional support, and the government will facilitate business development in the fields of production, marketing, human resources as well as design and technology. Regarding the role of the government in developing UMKM and IKM, the government's support is absolute. The abilities and skills of individual IKM actors or enbal processors are not only determined by their potential (internal factors) in an IKM business actor, but factors outside themselves, namely external environmental factors. Institutional support for supporting small local food industries in this study is presented in seven sub variables consisting of government support, support from extension agencies, support from research institutions, support for raw materials and production facilities, support for cooperatives, market support, and tourism program support are presented in Table 3.

**Table 3. Distribution of the average score of respondents based on the indicator category of Institutional Support for Small Industry Supporting Enbal Local Food Processing in Southeast Maluku Regency**

No	Indikator dukungan Kelembagaan	Min	Mak	Rataan skor
1.	Government support	1.00	4.00	2.5
2.	Extension support	1.00	4.00	2.0
3.	Research institution support	1.00	4.00	2.1
4.	Raw materials dan production facilities support	1.00	4.00	2.6



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5	Cooperation support	1.00	4.00	2.0
	Market support	1.00	4.00	2.9
	Tourism program support	1.00	4.00	2.2

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Score ranges: 1-1,99=low, 2-2,99=middle, 3-4= high n=107

Based on the data in Table 3, it is known that the average score of responses of enbal processors to indicators of government support is in the medium category of 2.5. Government support is classified as being due to the business assistance program provided by the Agriculture Office and Industry Office of Southeast Maluku Regency, such as machinery and production tools for farming and processing, where most of the industrial processors consider it very useful and in accordance with their needs. The average score of the responses of enbal processors to the indicators of government support is in the medium category of 2.0. Extension support is classified as moderate due to the suitability of the material and the accuracy of the extension method and the suitability of the extension media to the enbal processor not in accordance with the needs of the energy processor. This can happen because the extension worker only once or never even visited the processing group to carry out extension activities. Extension workers control more of the production and commodity crops of food in the sense that extension workers focus on aspects of crop cultivation. The average score of the responses of the enbal processors to the indicators of research institution support is in the medium category of 2.1. The support of research institutions is classified as moderate due to the inadequacy of research institutions in conducting research and collaborating with processors. The results of interviews in the field show that some processors have judged that the role of research institutions has been good in the last five years because the technology that has been conveyed to enbal processors is in accordance with the needs of energy regarding flour and enbal packaging. Where research institutions have collaborated with enbal processors in carrying out training in 2015-2016.

Based on the results of the research in Table 3, it is known that the average score of responses of enbal processors to the indicators of support for raw materials and production facilities is in the medium category of 2.6. The support of raw materials and production facilities is classified as moderate because most of the energy processors find it easy to get raw materials and the availability of tools and machinery for processing both private and group property. Enbalgepe as raw material used in the production process comes from two sources, namely produced by the enbal processor itself and purchased from other processors in the village or in other villages and also in the market. The average score of the responses of the enbal processors to the indicators of cooperative support is in the low category of 2.0. Cooperative support is classified as moderate

because the average village unit cooperative (KUD) in the research area does not function. On average, enbal processors become members of a credit cooperative or Credit Union (CU), which is a savings and loan cooperative in the form of church services. The average score of the responses of the enbal processors to the indicators of market support is in the medium category of 2.9. Market support is classified as being due to easy access to the market for selling, where the road connecting Ohoi to the market and the city of Langgur as the district capital is of good quality and easy transportation for processing activities to the market and for consumers who order herbal products. The average score of the responses of the enbal processors to the indicators of market support is in the medium category of 2.2. Support for tourism programs is classified as moderate because the government in every exhibition and event of tourism activities, the local government always provides a stand for energy processing, but events are rarely held and there is a lack of promotion of introducing local organic food. Lack of attention to the development of enbal local food in supporting tourism can be seen from the role of the local government to help processors of energy to provide standard packaging for processed energy during tourism events or exhibitions, even though the processors have stated that the price of standard packaging is still expensive so that it is still difficult to reach so that it requires government assistance in procurement. Packaging during regional tourism events.

### **Social Capital**

Putnam (2000) states that social capital refers to the essence of social organizations, such as trusts, and social norms and networks that allow the implementation of activities to be more coordinated, and community members can participate and cooperate effectively and efficiently in achieving common goals, and influence individual productivity or in groups. Social capital in this study is a relationship between members of a local organic food processing group that involves trust between individuals in a social network that has norms as the glue between its members in order to achieve cooperation to achieve common goals in running an energy processing business in Southeast Maluku Regency. Social capital in this study is presented in three sub-variables consisting of beliefs, norms and social networks which are presented in Table 4. Based on the data in Table 4, it is known that the average score of the responses of the enbal processors to the trust indicator is in the high category of 3.8. The component that contributes the most to trust is trust in fellow environmental processors, trust in consumers, trust in community leaders, and trust in suppliers. This can occur because in general energy processors still trust fellow enbal processors in helping to process energy if there are sudden orders from consumers in large quantities, leave goods when they are on the market, borrow money when there is no change, trust to consumers when ordering enbal in large quantities even though it has not been

paid for. Trust in community leaders because almost part of the community leaders are the husbands of the head of the herbal processing group, while trusting in suppliers is good because the raw materials for processing various flavors of energy are always available. The average score of the responses of the enbal processors to the norm indicator is the high category of 3.7. The components that contribute the most to the norm are the ease of getting help / loans from fellow business actors, readiness to help others, the habit of participating in joint activities to help residents who experience disasters. This shows that there is a high sense of respect and tolerance among enbal processors in the community in Southeast Maluku Regency. The attitude of respect and tolerance occurs because of the amount of love and respect in society because most of them still have blood ties and have high values of togetherness, the same fate, and of arms. Because according to them maintaining the rules that have been made is one of the most important things, they do not want to find trouble, their goal is to process energy and sell energy not to find trouble but to find sustenance, so they must maintain the existing regulations. Based on this, it makes the life of the small local food industry processors easy to accept and follow any prevailing norms.

**Table 4. Distribution of the average score of respondents based on the indicator category of Social Capital in Southeast Maluku Regency**

No	Indikator Modal Sosial	Min	Max	Score average
1.	Trust	1.00	4.00	3.8
2.	Norm	1.00	4.00	3.7
3.	Social network	1.00	4.00	3.5

Score ranges: 1-1,99=low, 2-2,99=middle, 3-4= high n=107

Based on the results of the research in Table 4, it is known that the average score of the responses of the enbal processors to the indicators of social networks is the high category of 3.5. The components that contribute the most to the network are the relationships between internal processors, relationships with suppliers, relationships with consumers, cooperation between internal processors. This can happen because energy processors utilize existing networks as a source of information about local food developments that are being sought in the market. In addition, there is strong social interaction so that there is a bond and interdependence with one another. Given that the center for the energy processing industry has been formed since decades ago, it is only natural that each of the enbal processors not only knows but also maintains good relationships and the emergence of mutual help and assistance. The network of enbal processors

in Southeast Maluku Regency is a social relationship that is created from initial introductions obtained from family or family friends or acquaintances until they continue to be friends, even considered as family and last a long time. Through a network people know each other, inform each other, remind each other, help each other and implement or solve a problem (Lawang 2005).

**Entrepreneurial Behavior**

There are three aspects that can measure the parameters of entrepreneurial behavior, namely knowledge, mental attitudes and skills (Pambudyet *al.* 2011). Entrepreneurial behavior is internalized aspects that are shown in the knowledge, attitudes and skills to do business with innovation, initiative, risk taking and competitiveness. An environmental processor certainly has an important role in managing his business so that he can achieve the desired goals. Enbal processors must have the ability to behave in entrepreneurship which consists of knowledge (thinking ability), attitude (emotional respons/response) and skills (ability to carry out activities). Entrepreneurial behavior in this study is presented in three sub variables consisting of knowledge, attitudes and skills presented in Table 5.

**Table 5. Distribution of the average score of respondents based on the indicator category of entrepreneurial behavior in Southeast Maluku Regency**

No	Indikator Modal Sosial	Min	Max	Score average
1.	Knowledge	1.00	4.00	3.1
2.	Attitude	1.00	4.00	3.0
3.	Skills	1.00	4.00	3.2

Score ranges: 1-1,99=low, 2-2,99=middle, 3-4= high n=107

Based on the data in Table 5, it is known that the average score of the responses of the enbal processors to the indicators of entrepreneurial knowledge is in the moderate category of 3.1. The component that contributed the highest to entrepreneurial knowledge in the medium category was technical knowledge. Technical knowledge possessed by enbal processors is high category because technical knowledge is related to the business experience they run, where most processors have been in business for more than 10 years. Enbal processors who have entered old age generally acquire knowledge based on experience and information that has been there for a long time or from generation to generation. This knowledge is used as the basis for running a business. The average score of the responses of the enbal processors to the indicators of

entrepreneurial attitudes is in the medium category of 3.0. The components that contributed the highest to the entrepreneurial attitude in the medium category were commitment, discipline and honesty. The commitment to energy processing is shown through high enthusiasm to continue processing energy even though they have limited capital, confidence to succeed, and not giving up in facing all the problems that come. The disciplinary attitude of enbal processors is well formed, because this attitude is the basic attitude for them to maintain their business existence. This disciplinary attitude can be seen through regularity in processing energy and timeliness in marketing herbal products even though consumers are still limited. The average score of the responses of the enbal processors to the indicators of entrepreneurial skills is in the moderate category of 3.0. The component that contributes the most to entrepreneurial skills is technical skills including the ability to make products. The ability of the enbal processor in processing energy looks good because the enbal processor tries its best to carry out energy processing activities on time and does not delay work, especially in the processing of energy because if you delay processing the energy, the resulting energy product is not as expected or the energy is of good quality. This shows that the processing of energy in carrying out the business of the energy processing industry is carried out seriously and as well as possible with skills that are in accordance with the stages of making energy, both enbal, not a variety of flavors or various flavors.

**Factors Influencing Social Capital in the Development of Entrepreneurial Behavior in Enbal Cassava Processors**

The answer of second research question, the Path Modeling Partial Least Square (PLS) was conducted. In this study, it was used to determine the magnitude of the influence between latent variables, namely the bootstrapping technique. The bootstrapping technique is a random sample data recalculation technique to obtain t-statistical values by performing the Path Coefficients test. Based on the t-statistic value obtained, it can be seen the level of significance of the effect of the independent variable to the dependent variable. If the t-statistic value is > 1.96 (t-table significance of 5%) then the effect is significant and if the t-statistic value is <1.96 (t-table significance 5%) then the effect is not significant (Latan and Ghazali 2015).

**Table 6. Path Coefficients Test Result with Bootstrapping Technique.**

Path	Original Sample (O)	T Statistics
Individualcharacteristic ->Social capital	0.02785	0.26997
Availability of information->Social capital	0.07244	0.68312

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Institution support->Social capital	0.66384	5.34572
Social capital->entrepreneurial behavior	0.13945	1.11279

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Factor of individual characteristic ( $X_1$ ) on the last model has loading factor  $> 0.5$  is known to be reflected by five indicators of non-formal education ( $X_{1.3}$ ), land area ( $X_{1.5}$ ), income ( $X_{1.6}$ ), motivation ( $X_{1.7}$ ) and cosmopolitan ( $X_{1.8}$ ), while social capital has a loading factor value  $> 0.5$  is known to be reflected by three indicators, namely trust ( $Y_{1.1}$ ) norm ( $Y_{1.2}$ ), and social network ( $Y_{1.3}$ ). The results of the PLS analysis explain that in this study, in general, there is no influence of individual characteristics variables with social capital as shown in Table 21. This shows that none of the latent variables / indicators of individual characteristics have a significant effect on social capital. The individual characteristic factors showed that the t-value was insignificant under 1.96. In addition, the original sample value of 0.027 shows the relationship of influence given by individual characteristics to social capital is positive but does not meet the criteria. The influence of individual characteristics on social capital is at two percent (2%), still far from the ideal category. This explains that non-formal education, land area, income, does have a large contribution to individual characteristics but does not have a real effect on social capital.

The results of the PLS analysis show that non-formal education has no effect on social capital. The formal education received by enbal processors is training and counseling related to the processing of processed types of mocaf flour, marketing, finance and development of processing groups. The training received by enbal processors is still very limited, so this is why the non-formal education they have does not have an influence on elements of social capital such as trust, norms and networks. The facts in the field show that there are still traditional processors who have never participated in any extension activities and training on enbal processing due to the absence of extension workers. Furthermore, processing motivation does not affect social capital. This can happen because the majority of processors have low motivation, because processors are satisfied with the results so far obtained and only want to process various flavors according to orders. They feel that they do not really need to develop a bigger business, so that with their current competence they consider it sufficient. This is why the motivation of the enbal processors has no effect on the elements of trust, norms and networks of social capital. The facts in the field show that there are also a number of enbal processors who work on the grounds of heredity / inheritance, are equipped with skills, and open new jobs for relatives / relatives in the village, even though they are constrained by formal education which is still classified as medium or even low. The PLS analysis results show that cosmopolitanism does not affect social capital. This can happen because most of the energy processors in Southeast Maluku district are classified as

having a “low” cosmopolitan level, that is, processors rarely try to find information about processing and marketing of energy outside their environment. Enbal processors rely on conventional knowledge obtained from generation to generation, rather than seeking the latest information from PPLs, or other figures outside their environment. Environmental processors exchange information about processing and marketing in general with their peers from farmer groups or neighboring village groups who also have kinship. This is why cosmopolitan does not affect the elements of trust, norms and networks of social capital.

The factor of availability of enbal local food information ( $X_2$ ) in the final model is known to have a loading factor value  $> 0.5$  known to be reflected by five indicators, namely relevance ( $X_{2.1}$ ), completeness ( $X_{2.2}$ ), sharpness ( $X_{2.3}$ ), timeliness ( $X_{2.4}$ ) and representative information ( $X_{2.5}$ ). Meanwhile, social capital has a loading factor value of  $> 0.5$  which is known to be reflected by three indicators, namely trust ( $Y_{1.1}$ ), norms ( $Y_{1.2}$ ), and social networks ( $Y_{1.3}$ ). The results of the PLS analysis explain that in this study, in general, there is no influence of the variable availability of information on internal local food with social capital as shown in Table 6. This shows that none of the latent variables / indicators of the availability of information on internal local food have a significant effect on social capital. The factor of availability of information on enbal local food shows the t-value of 0.683 is not significant, it is below 1.96. In addition, the original sample value of 0.072 shows the relationship of influence given by the availability of information on internal local food factors to social capital is positive but does not meet the criteria. The effect of the availability of enbal local food information on social capital is at seven percent (7%), still far from the ideal category. This explains that the relevance, completeness, sharpness, timeliness and representativeness of information does have a major contribution to the availability of local food information but does not have a real and significant impact on social capital.

The PLS analysis results show that relevance does not affect social capital. This can occur because any information conveyed by information sources (extension agents, related local government agencies, research institutions) is information that is less relevant to the problems currently being faced by energy processors relating to processing and marketing of local organic food. The results of data analysis show that the completeness of information does not affect social capital. This can happen because the information under PPL, who sometimes comes to visit, has not provided complete, interesting, easy to accept and useful information, and does not meet the needs of the energy processor. Even though the information obtained is incomplete, the relationship and trust to PPL are still well maintained. The results showed that information sharpness did not affect social capital. This can occur because the large amount of information

obtained from information sources (extension agents, related local government agencies, research institutions) and the mass media is not actual in showing the difference between one option and another and can explain more specific matters about processing technology and marketing of cassava/enbal. Although the sharpness of the information conveyed by extension agents or assistants is information that is not in accordance with the needs of the enbal processors, the dimensions of trust in social capital between the processors and the information sources (extension agents, related local government agencies, research institutions) are running well. The results of the analysis show that the timeliness of information does not affect social capital. This can occur because the amount of information obtained from information sources to the energy processor is not right on target and on time according to the needs and problems of the energy processor even though the timeliness of information does not match the needs of the energy processor but the norm dimensions of social capital and high concern for life the internal processor of the information source makes the relationship and trust of the internal processor to the information source well-maintained. The results showed that the representation of information did not affect social capital. This can occur because the amount of information obtained from sources to the enbal processors is not sufficient to have the whole reality (representative) and can be used to draw conclusions / decisions about the processing technology and marketing of cassava / enbal. Although the representation of the information does not match the needs of the internal processors, the social network dimensions of social capital that are intertwined between information sources (extension agents, related local government agencies, research institutions) and members of Gapoktan, management of the environmental processing group are quite good. This is in line with the results of research by Fatchiya (2010a) which also reveals the same thing, namely access to information from farmers to researchers, government extension agents and mass media (internet, TV, radio, farmer magazines / newspapers) is more difficult to obtain compared to access to other farmers, head of farmer groups.as well as input production traders.

The institutional factors supporting the local environmental food industry ( $X_3$ ) in the final model have a loading factor value of  $> 0.5$  which is known to be reflected by six indicators, namely government support ( $X_{3.1}$ ), support from extension agencies ( $X_{3.2}$ ), support from research institutions ( $X_{3.3}$ ), support for raw materials and production facilities ( $X_{3.5}$ ), market support ( $X_{2.6}$ ) and support for tourism programs ( $X_{2.7}$ ). Meanwhile, the cooperative support indicator has a factor loading value below 0.5 so that it is unable to reflect the institutional support for the local environmental food industry so that it is excluded from the model. Social capital has a loading factor value  $> 0.5$  which is known to be reflected by three indicators, namely trust ( $Y_{1.1}$ ), norms ( $Y_{1.2}$ ), and social networks ( $Y_{1.3}$ ). The results of the PLS analysis in Table 6 explain that in this



study social capital is influenced by institutional factors that support the local environmental food industry. This is explained by the value of  $t$  is greater than  $t$  table ( $5.34572 > 1.96$ ). In addition, the influence coefficient value of 0.6638 shows that the relationship of influence given by the institutional factors supporting the internal local food industry to social capital is positive, where if there is an increase of one percent of individual factors in energy processing it will also cause an increase in the social capital of energy processing by 66.3 percent. Therefore, indicators for supporting institutions for the local food industry are government support, support from extension agencies, and support from research institutions, support for raw materials and production facilities, market support and tourism program support, which have a direct positive and significant effect on social capital.

The results of the research analysis show that government assistance and services affect the social capital of the enbal processors. This can happen because all processing groups receive equipment assistance and consider it as needed. However, not all groups of enbal processing received the same assistance facilities as there were groups facilitated with production houses, but some did not. The results showed that assistance and extension services affected the social capital of enbal processors. This can occur due to collaboration between processors and government agencies facilitated by extension agents. In general, extension support has not been maximal in energy processing. This is due to the low competence of extension workers in the field of processing so that they rarely visit processing groups because all food crop extension agents in Southeast Maluku Regency are still focused on aspects of plant cultivation. Despite the low competence of extension workers, extension workers still try to help processors in finding information on processing. The results showed that research institutes had collaborated with enbal processors in carrying out training in 2015-2016. The technical guidance that was followed was in the form of training on making processed types of mocaf flour and training in making mocaf flour through several stages, starting from joint harvesting in the garden, processing it into mocaf flour and making types of processed by each group involved.

PLS analysis results show that the support of raw materials affects the social capital of energy processing. This can happen because the energy processor sometimes uses raw materials from other groups or villages if the processors receive orders suddenly and do not have time to prepare the raw materials themselves due to decreasing reserves of energy plants in the garden. Buying raw materials (enbalgepe) from groups, other villages or from the market creates trust and networks among enbal processors because the quality of raw materials purchased by processors is in accordance with the processing needs. The results showed that market support affects the social capital of enbal processors. This can happen because consumers of energy processing are

families who always provide energy at home for breakfast and evening in Southeast Maluku regency as well as families outside the region. The relationship that occurs at the time of purchase is maintained because consumers feel comfortable with the taste of the process and the price. The results of the analysis show that market support affects the social capital of energy processing. This can happen because tourism event activities in Southeast Maluku district often involve organic processors in presenting processed enbal in various flavors. The involvement of the enbal processors in local government events is because the trust given to the enbal processors is put to good use by the enbal processors in introducing various flavored and non-flavored (original) enbal products.

The social capital factor has a loading factor value  $> 0.5$  which is known to be reflected by three indicators, namely trust ( $Y_{1.1}$ ), norms ( $Y_{1.2}$ ), and social networks ( $Y_{1.3}$ ). Meanwhile, entrepreneurial behavior has a loading factor value  $> 0.5$  which is known to be reflected by three indicator variables, namely knowledge ( $Y_{3.1}$ ), attitude ( $Y_{3.2}$ ), and skills ( $Y_{3.3}$ ). The results of the PLS analysis in Table 6 explain that in this study there is no influence of the social capital variable on entrepreneurial behavior. This is explained by the value of t count is smaller than t table ( $1.11279 < 1.96$ ). In addition, the influence coefficient value of 0.13945 shows that the relationship of influence given by the social capital factor to entrepreneurial behavior is positive, where if there is an increase of one percent of the social capital factor of energy processing, it will also cause an increase in the entrepreneurial behavior of energy processing by 13 percent of the ideal category. This explains that trust, norms, and social networks do have a large contribution to social capital but do not have a significant effect on entrepreneurial behavior. Trust is the main thing that is needed in establishing a collaboration. Without trust, good cooperation will not be established because suspicion will arise. According to Lawang (2005) trust is a relationship between two or more parties that contains expectations that benefit one or both parties through social interaction. Trust, norms and networks do not significantly influence the entrepreneurial behavior of internal processors but do make a positive contribution in running their processing business. The trust that occurs between energy processors can be seen in the activities of energy processing such as the use and maintenance of group processing machines together. The trust of enbal processors towards consumers is also high, it can be seen from the activity of selling the bulk of the bulk of the bulk orders without down payment. The norms in the processing group are always well obeyed by the internal processors both in meeting activities and in processing activities and learning activities. It has become a habit with group members who have the opportunity to study outside the region at the expense of the government to be obliged to teach the knowledge gained to other members. Or group members who get new knowledge in processing enbal teach other members of the processing group until the group

members can carry out the new stages of knowledge. The knowledge that energy processors get from participating in training facilitated by the government will use this processed knowledge for activities that support government programs in increasing the competitiveness of local organic food. The social network for processors is still very limited so that it does not affect entrepreneurial behavior. This can happen because the center for the energy processing industry has been formed since decades ago so it is only natural that each of the enbal processors not only knows but also maintains good relationships with consumers, suppliers and related agencies. As previously explained, the belief that occurs is based on kinship. This also affects the network that is formed. In general, a good network will build on a good sense of trust as well. Within the network itself, there is the term "node" which is a combination of several networks that are owned by each person. The first network that is formed is a network within the family, ranging from small families to large families. Not infrequently, the family becomes the main network as the first source of information for the sale of local enbal food.

#### **IV. Conclusions and Suggestions**

##### **Conclusion**

1. Characteristics of household scale energy processing in Southeast Maluku Regency include the age of processing energy generally ranges from productive age. The formal and non-formal education of enbal processors are in a low category. Experience trying to be in the low category. Activity in groups is in the high category. In general, the majority of the level of motivation and cosmopolitanism of energy processing is in the low category. The level of availability of enbal local food information regarding processing and marketing information in general is still very minimal. The level of institutional support for the local environmental small food industry has not been maximal because it is in the medium category. The social capital of enbal processing is in the high category. Most of the entrepreneurial behavior of enbal processors in Southeast Maluku Regency is in the medium category.
2. The factor that affects social capital in real and positive ways is institutional support. Institutional support is reflected in government support, support from extension agencies, and support from research institutions, support for raw materials and production facilities, market support and support for tourism programs. Social capital factors do not significantly and positively influence entrepreneurial behavior.

## **Suggestion**

Small industrial enbal processors in Southeast Maluku Regency should apply the values of social norms in running their businesses such as helping each other and sharing important information with other business actors, so that entrepreneurial behavior can increase. Environmental processors need to expand their business network by participating in entrepreneur communities or entrepreneurship training outside the region which is followed during training facilitated by the government.

Local governments need to improve facilitating business needs through training for local food processors related to the provision of creative innovations regarding processing, packaging, labeling, business financial records, cultivating the entrepreneurial spirit of the processors so that they think ahead and be optimistic in running the business and help with equipment and business capital increasing the number of recipients and the suitability of assistance.

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