

Social Capital Values as the Strengthening Elements in the Rural Small Industry

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ABSTRACT

This research aims at revealing various practices of social capital values to strengthen rural small industry. The practices which emerge from the interaction among farmers, big vendor, tibo, roasted nut business owner and consumers lead to different forms of social capital values. This research uses qualitative research method which involves a study case. The data are analyzed using forward stepwise model from Spradley, which formulates the findings from the empirical research. The research findings reveal various social capital values embedded in local tradition of Minahasa known as *Mapalus*. It refers to a form of cooperation which grow and develop among the Minahasans. *Mapalus* includes various social activities as follows (1) *Mendu impero'ongan*, a community service performed by the villagers; (2) *Berantang*, providing help for the bereaved family; (3) *Sumakey*, celebrating certain occasions together. *Mapalus* also exists in economic and financial activities such as: (1) *Ma'endo*. It refers to communal activities to cultivate the field or to renovate houses; and (2) *Pa'ando*. It is a financial activity in a form social gathering known as 'arisan'. This cultural value is an important social capital for rural society to support their economic activities and to strengthen the rural small industry.

Keywords: Social Capital Value, Small Industry, Strengthening.

JEL Classification Codes: D20, D29, L60

INTRODUCTION

Indonesia is well-known as the agricultural country whose natural resources are sufficient enough to support its agricultural activities. The abundant agricultural land, tropical climate, and the quality of human resources become strong reasons for Indonesia to be one of the developing countries having good potential to be acknowledged in the world economy. Recently, modernization has begun spreading its existence in all levels of society including the lower class. As a result, this newly-emerging trend has changed how people's behavior in the attempt to fulfill their needs. The rural community living in the village has shifted their priority from working in the agricultural sector to taking a part in the non-agricultural sector. The higher income obtained from non-agricultural sector decreases (Kimbal, 2018).

Bank Indonesia mentions that agricultural sector faces three main problems, namely, the decline of the agricultural production, distribution, and affordability and pricing. Due to these problems, the market share of the agricultural sector drastically plummeted from 1990 to 2016. It declined from 22.09 percent of Gross Domestic Product (GDP) to 13.45 percent. The labor absorption in the agricultural sector also declined from 55.3 percent to 31.9 percent (Setiawan, 2017). These phenomena also influence other sectors because agricultural sector contributes to sustaining other sectors such as small industry sector, which relies on the agricultural sector to get raw materials. Thus, it becomes a serious challenge to ensure that agricultural sector and small industries to survive and provide income for the community.

Realizing that agricultural sector and small industries have potential, reveals the contribution of these two-business sector on the domestic economic development. These sectors offer job opportunities, provide income for the society, and produce basic needs such as food, clothes, building material, household appliances and others. Some studies also reported that small industries sustain the life of the farmers. In other words, this sector enables the farmers to survive. Data from the survey conducted by the Creative Economy Agency (BEKRAF) in collaboration with Central Statistics Bureau (2016) show that in 2015, the creative economy in Indonesia contributed Rp. 852 trillion to the national Gross Domestic Product (GDP). In 2016, this amount rose to Rp. 922.58 trillion, with contribution of 7.44 percent to the national GDP. The growth of creative economy sector was predicted to reach its peak in 2018. The projection from Price Waterhouse Cooper (PWC) has placed Indonesia in the 5th rank. It is predicted that Indonesia's Gross Domestic Product (GDP) in 2030 will reach US\$ 424 trillion. It is a common knowledge that the government encourages Micro, Small and Medium Enterprises to go online because 60 percent of the pillar of the economic strength in Indonesia lies on this sector (Putra, 2002).

The existence of social capital's values must be strengthened by the research conducted by universities. The main purpose is to sustain community business which is almost eroded by the modern industry in order to establish harmonious and prosperous society. Social capital is essentially important and always has a positive effect on people's welfare. This perspective has made an important contribution to poverty analysis by emphasizing the centrality of social ties in helping poor people to manage risk and vulnerability (Marzuki, et. al, 2020). Fukuyama in Kamuli (2019) stated that social capital is a sense of solidarity that grows and develops in a society which is a force that can strengthen social relationships even in a variety of business competition. The government and society need to establish good relationship to support and enliven the social capitals growing among the society. In his book, Fukuyama stated that: "A nation's well-being, as well as its ability to compete, is conditioned by a single, pervasive cultural characteristics: the level of trust inherent in the society" He further explains that "social capital represented by trust will be as important physical capital" (Fukuyama, 1999). Putnam (1993) also strengthens this idea by showing evidence that economic growth and the presence of social capital have positive correlation. Economic growth in a community would be good if the society has following characteristics: (1) the presence of close relationship among the members of society (2) the presence of leaders who are honest and treat themselves as part of a community, not as rulers, and (3) the existence of mutual trust and cooperation between elements of society (Ancok, 2003). Bourdie (2018) defines social capital theory as the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Further, Gibss & Coleman (1990) defines social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure. Thus, it is not much varied from Wiliamson (1997) which defines social capital as the ability of people to work together for common purposes in groups and organizations. Woolcock (1998), divides into four parts the perspective of social capital includes: 1. Communitarian view, 2. Network view, 3. Institutional view, sees the strength of a community's network lies in the political, legal and institutional environment. 4. Synergy view.

Various characteristics and problems which small industry sector encounter should not become the reasons to undermine this sector. Explains that the presence of social capital is important for the society because: (1) it provides an ease to access information for the members of society; (2) it serves as power-sharing media in a

community; (3) it enables the growth of solidarity; (4) it mobilizes the community resources; (5) it enables mutual achievement; and (6) it shapes togetherness and organizational behavior (Setiawan, 2017)

Social capital relationship which exists in small industries maintains the sustainability of this sector because the economic actors have high flexibility in adjusting themselves with the rapid changes in the business environment. The management of Roasted Peanut Small Industry has resulted in various profits, so this business grows steadily from year to year and has positive contribution to economic growth. Since 1950, this small industry has been growing signified by the increasing number of farmers and roasted peanut entrepreneurs (Kimbali, 2015). However, this sector still has various haunting problems which are possible to threaten the sustainability of this business. The overall purpose of this study is to elaborate various practices of social capital values to strengthen the rural small industry. The outcome of this research is a policy which is expected to reconstruct social capital theories in institutional economy in accordance to the characteristic of qualitative research which builds findings from the empirical research to produce substantial theory. It is expected that the research has contribution to the effort to comprehend the economic activities in small industry and provides the alternative to develop small industries which are strong and can compete with the emerging global and big industries. Therefore, the roles and benefit of these small industries as one of the economic pillars in Kawangkoan District in particular and North Sulawesi Province in general can be sustained and flourished. The findings of this research open up a new perspective which eventually inspires the related parties to develop farming and small industry sectors in North Sulawesi and Indonesia at a wider scope. By doing so, the strengthening of social capital values is able to act as a new force to sustain the business of the local people.

RESEARCH METHOD

This research applies qualitative research method (Suman, 2012) through which the social phenomena showing the behavior and social interaction of the society in Kawangkoan District are observed. Kawangkoan is the center of activities in roasted peanut small-scale industry. Bogdan and Biklen (1992) explained that a case study is an detailed examination on a background or one single subject, document deviation, and one special case. This research focuses on revealing various practices of social capital values to strengthen rural small industry. The practices which emerge from the interaction of the small industry entrepreneurs and farmers, workers, tibo, roasted nut sellers and consumers. The primary data for this research are obtained from the informants who involve in the activities of Kacang Sangrai small industry. They consist of 2 business owners, 1 farmer, 3 workers, 1 tibo, 2 sellers, and 2 consumers. Other data in this research are collected from the field observation and documents related to the data. Data collection in qualitative research is performed on preliminary information saturated level. Those who know data needed will be chosen, and this step continues by choosing other informant candidates. The next step is choosing informant by using snowball technique. Then, the informants are chosen randomly and the last information will reach saturated level if the answers that the informants have given have no variation.

Research focuses on the owners of kacang sangrai small industry and people involving in the economic activities in kacang sangrai small enterprise. Research takes place in Kanonang as the center of kacang sangrai small industry. Data obtained in this study were analyzed by following the stepwise progressive model from Spradley (Wijaya, 2018). This model consists of domain analysis and taxonomy. In the domain perspective, researchers will involve categories including covert behavior, behavioral parts, and semantic relationships. The researcher

begins the analysis by determining one of the semantic relationships and combining it with the findings from the data collection process when the researchers interact with the data sources at the location of Kacang sangrai small industry. This analysis process will continue by establishing categorical relationship between the veiled behavior and the part of the behavior until the researcher reaches the saturation point to find a list of domains seen as a reflection of the perceptions and understanding of the elements and relations of social capital in accordance with what is understood and believed by the actors in the economic activity involved in Kacang sangrai small industry as a research subject. The subsequent analysis process is carried out taxonomically in order to explain the terms relating to behavior in a specific domain and to organize these data to achieve research objectives. Therefore, the researcher chooses one of the domains that has semantic similarity to be used in the chosen domain. In this process, the researcher will also look for part terms through constructing structural questions. The result will form a graphic taxonomy or the relationships between the domains and their sub-sections with respect to the terms drawn from the stages found. The analysis is evaluated taxonomically on the data obtained through the intensive interaction between the researchers and data sources related of Kacang sangrai small industry during the field research. Thus, the researchers conduct focused observations for checking. These findings are then described as findings about the various practices of social capital in the strengthening of rural small industry.

The validity of the research needs thorough examination techniques which will be used to determine the degree of trust and truth in the research results, processes and results in research. This can be done through following aspects:

1. Credibility:
 - a. a detailed observation to find out various practices of social capital's values to strengthen rural small industry is carried out by digging data on every event which occur in every relationship established among the economic actors and information from the informants and the society.
 - b. triangulation is performed on the information given by the informants such as the business owners, farmers, workers, tibo, vendors, and consumers. The data are also supported by the credible documents. Checking is performed on other informants who involve in the activities or understand the document in order to justify the data such as data on the number of workers and the duration of activities in this small industry.
 - c. member check is the activity in which the researchers ask the informants to check the data validity, interpretation, and the conclusion.
2. Dependability. The research findings are supposed to be reliable (qualitative). It needs consistency in formulating and applying the concepts before making interpretations and drawing conclusion. All these steps are performed after a series of research activities. For example, a business owner runs the business without having much difficulty since he embodies good values in life such as honesty.
3. Conformability. Research finding should be able to be verified because its conformability puts results and products as the priorities. The research findings must be re-examined, and their validity and conformity with the data obtained must also be re-checked. The data obtained consist of information from the volunteers, the leaders of the village, and other documents used.

RESULTS AND DISCUSSION

1. Value

The daily life of Kawangkoan community reflects the cultural values which they firmly hold. The tradition or customs are deeply entrenched in their lives, and people preserve these customs, known as toar and lumimuut, as the cultural heritage of the

Minahasans. All people involving in Kacang sangrai small industry in Kawangkoan preserve a custom called '*Mapalus*'. *Mapalus* is a form of social cooperation growing within the Minahasans to help each other (*me-lo'or2an*) and assist each other (*men-sulesulean*) in facing life constraints either individually or communally. This cooperation flourishes within the social life of the society in many aspects covering social and economic activities. Thus, the society in rural small industry maintain these cultural values in their daily life. Some actors in Kacang sangrai small industry speak up about the cultural values they still preserve until now.

"I am already 70 years old. I have been running this Kacang sangrai business for 30 years. I started this business from a small-scale level, and I am so grateful I have friends who teach me how to roast peanuts. Having the knowledge and involving in it, I have made this business as the main source to get income for my family".

This explanation discloses that the value of helping each other (*me-lo'or2an*) in the Minahasan culture can be seen from Mr. MS experience. When he started his Kacang sangrai business, his friends helped him by teaching him how to roast the peanuts and to sell the products to the vendors or the consumers directly.

Mr FT, who has been running the business for 20 years, also explains similar opinion.

"It needs a vigorous effort to start this business. At first, I was so hesitant to work on this business. However, some of my friends who became farmers helped and assisted me. When the harvest time was due, they helped me by allowing me to pay the money for the raw peanuts I bought one week after the peanuts were processed"

The activity of helping each other can be seen from the farmers who allow the business owners to pay for the raw material they have bought after few days. As a matter of fact, it helps Mr. FT a lot because he does not need to prepare for big capital to buy peanuts. Helping each other facilitate the processes from the purchase of the raw material to the sale of Kacang sangrai. Moreover, it relieves the business owners, for they do not have to spend extra expenditure. Ease in making payments is able to strengthen the value of social capital which has been long prevailing in the society.

Not only does Mr. FT as the business owner who feels grateful because the farmers do not ask for advanced payments for the peanuts he has bought, but also the farmers feel happy because Mr. FT often helps them by lending some amount of money. Mr. FR explains:

"I have known Mr. FT for a long time. I always sell my peanuts to him. Since we have a good relationship, I usually borrow some money from him especially when I am in need of it. His assistance really alleviates the economic condition of my family".

The embodiment of value to help each other leads to good relationship between Mr. FR as the farmer and Mr. FT as the owner of kacang sangrai small industry. Both parties depend on each other to survive, and helping each other ensures them to sustain small industries and the family economy.

Mapalus as the long-existing culture has undergone slight changes as time progresses. People who preserve and implement '*Mapalus*' in the daily life have better life than those who no longer preserve it. All members of society carry out the activities voluntarily for the sake of mutual goal. Taking a part in the activities which uphold *Mapalus* increases the pride for the owners of Kacang sangrai small industry because this culture supports the sustainability of the business flourishing among the society. Concerning this, Mr. AL explains the benefits of taking a participation in *Mapalus* activities:

"I have lived in Kawangkoan for 80 years. Despite increasing in number, people here still uphold firmly *Mapalus* as their culture. I am so grateful because I always implement this culture to live my life and run my Kacang sangrai business, so it is able to survive until now. Considering the recent situation which is greatly different from the past, I am determined to preserve this culture. My business runs smoothly because I know how to establish good relationship with people. In addition, my participation in the social activities will strengthen my business".

The explanation above implies that the participation of Kacang sangrai entrepreneurs to appreciate and implement the values embedded in "*Mapalus*" in Kawangkoan ensures the sustainability of the business. '*Mapalus*' emphasizes togetherness to build network for the members of society. The relationship developed due to '*mapalus*' provides social bond for the entrepreneurs, and social sanction will be imposed to any individual who destroys this bond. Social sanctions can be in the form of exclusion from social activities and any activities within the circle of kacang sangrai entrepreneurs.

Mr. MS also gives a similar idea on how his business can flourish due to the embodiment of life values in *Mapalus*, which guide him to be better:

"I am proud of living as a part of Kawangkoan society who implement the values of *mapalus*. It teaches positive activities and values which are very important to live in a society. In particular, I obtain considerable benefits as the entrepreneur since my business is quite risky. I join all society activities because I realized it can be strong social capital which establishes better relationship between the society and me".

The strong ties in *Mapalus* represent the bond which the entrepreneurs directly build in the community of kacang sangrai small industry. *Mapalus* in Kawangkoan includes various social activities as follows (1) *Mendu impero'ongan*, a community service performed by the villagers; (2) *Berantang*, providing help for a family whose one of its family members has passed away; (3) *Sumakey*, celebrating certain occasions together. *Mapalus* also exists in economic and financial activities such as: (1) *Ma'endo*. It refers to communal activities to cultivate the field or to fix houses; and (2) *Pa'ando*. It is a financial activity in a form social gathering known as '*arisan*'.

2. Social Activities in the Community

2.1. *Mendu Impero'ongan* (Community Service)

Mendu Impero'ongan represents the mutual cooperation seen in community service. It can be found in a village or neighborhood depending on whether the group belongs to the same village or same neighborhood.

Local community performs this activity to prove that the strong attachment between them needs to be fostered by togetherness. Without togetherness, it is impossible

to achieve mutual goal. Mr Jemmy explains that community service strengthens the ties:

“In this small industry, I have been working together with Mr. FT for a long time. As a farmer and an entrepreneur, we have established long and good relationship. Our participation in the community service in our village makes us always help other people. When Mr. FT needs my help to work in his small industry, I will be ready to help and vice versa”.

The statement shows that *Mendü Impero’ongan* has strong influence in binding people to help each other. The society treats this value as a power to be useful for other people’s lives. A good deed passed down from generation to generation must be preserved for the benefits of other people. Ms. NT, one of the workers in Mr. FT small industry, asserts similar idea:

“I feel comfortable working here for years because Mr. FT family is always kind to us. When we have a celebration event, Mr FT and his wife never hesitate to help us. We also do the same thing. Every time his family holds certain activities, I will ask my relatives to help his family. We have had long-term relationship”.

The statement discloses that the spirit of helping each other based on the religion and cultural values is found in the society life. They never ask something in return, for they believe that if they do goodness for other people, others will treat them good either.

For the entrepreneurs of small industry, *mapalus mendü impero’ongan* offers them an opportunity to show their strong attachment to the mutual values shared by entrepreneurs and farmers, workers, vendors, and consumers. This strong tie is established by social interaction, and the compliance formed will directly turns into social capital which becomes the driving force for strengthening the small industry in the future.

2.2. *Berantang* (Mutual Assistance for the bereaved family)

Berantang has long been practiced by the Minahasan community. This activity aims at providing support for the family who has lost one of its family members. In the past, one institution called “*Pinaesaan (Union)*” was established to organize all assistance given from the time of death until the second day of death. It prepared the coffin, the meals for the first day of the funeral, and gathering held in the second day. Every preparation is carefully organized by the society under the coordination of *Pinaesaan*, and it greatly helps the grieving family to alleviate their physical and mental burdens. In *Berantang*, it is possible to have a balance of money they have collected and leftovers. Therefore, it will be given to the family.

This activity has long history, and Kawangkoan society still implement it. *Berantang* does not only exist in society, but it can also be seen and takes part in Kacang sangrai small industry. It builds the ties between the entrepreneurs and the people living around them. When a family is grieving due to the death of its family member, the society will gladly help them. Mr MS explains that:

“In our neighborhood, we will gather and coordinate any help for the family whose one of the members passes away. We will lend our hand for the grieving family. We will give various things, such as money, rice, sugar, tea, and other goods needed for the funeral ceremony”

The above statement implies that the values of life contained in ‘*berantang*’ to offer help for the bereaved family to alleviate their grief has been passed down from generation to generation. The entrepreneurs of the small industries, workers,

farmers, tibo, and vendor will be hand to hand to help each other. The implementation of Berantang in the activities of small industries results from strong ties, so they will offer more help for their closest people. Concerning this, Ms. Nova explains:

“When one of our family members dies, Mr. MS gives me money and food because I am one of his workers. It helps us a lot to prepare funeral ceremony. We also do the same thing for Mr. Max or other people working at the kacang sangrai small industry”.

Berantang as an activity passed down from generation to generation instills a strong value to help each other and lessen their burden. It results in closer relationship among the society and in particular all elements in kacang sangrai small industry. In regards of its correlation with the entrepreneurs of kacang sangrai, *Berantang* serves as an opportunity to show people's involvement in cultural bond within the community. It builds an image about the entrepreneurs' awareness and inspires the society to implement '*berantang*' by involving in social activities and sharpening their awareness on the shared group identity. It can be stated that entrepreneur value as social capital will be accumulated binding, thereby giving economic benefit for the business sustainability.

3. Sumakey (Mutual Assistance for Celebrating Events)

Sumakey is a mutual assistance performed by Kawangkoan society, and it aims at providing help to hold certain events such as celebration at the church, weddings, anniversaries, and mourning. The church often provides special services such as church days and harvest festivals. The congregation brings meal to the church, and they will share these meals after the service ends. At the wedding ceremony, the bride's family and relatives have their own responsibility to bring any foods which will be cooked such as chicken, pork, rice, fish, and other kinds of food. These ingredients will be cooked together at the house of the bride's family and will be served to the guests. Therefore, the bride's family can save cost for food.

The cultural values in '*Sumakey*' exist profoundly within the community. For the Minahasan community, '*Sumakey*' enables them to achieve mutual goal. They do this activity in the spirit of *mapalus* through which they hold certain events such as events at the church, weddings, birthdays, and mourning. The main purpose of this activity is to provide mutual assistance and mutual help to hold the events and prepare for meals. In short, it greatly helps the host. This activity can also see in Kacang sangrai small industry through the strong relationship among the entrepreneurs of Kacang sangrai and farmers, tibo, vendors, and consumers. *Sumakey* has embedded in their strong attachment as Mr Fani states:

“*Sumakey* gives a strong influence in every activity existing in Kacang sangrai small industry. One of the examples is when I, a farmer, hold my child's wedding ceremony. All my friends within the circle of Kacang sangrai small industry will definitely help. Some of them bring us cakes, rice, money, and others. Their assistance really helps my family much”

Mutual assistance provided for a neighbor having certain ceremonies has been ingrained in their life. It greatly reduces the cost that the host must incur. Mr FT experiences this as he says that:

“I offer help for Mr. FR and every one working at Kacang sangrai small industry every time they hold certain events. I give various things such as money and food. This help shows my sincerity because this activity has been regularly done”

The statement implies that mutual assistance is a common thing which might happen between the entrepreneur of Kacang sangrai small industry and all actors involving at the Kacang sangrai small industry. The life value passed down through religion and culture since the ancestral time becomes the main reason for all actors in Kacang sangrai small industry to perform this activity sincerely.

Sumakey is also seen in mourning activity. Usually, it is carried at the dawn of the second day of mourning period. It is early in the morning that people flock to come to the house of the bereaved family and bring cakes and beverages such as coffee and tea which will be served for the guests and the family. After that, they will visit the grave together. On the following week, people hold special activity called '*Mingguan*'. After the worship service at the church, the relatives still come and give support for the bereaved family by having lunch together. These relatives will bring food they have prepared at home to be shared together.

The values of *Sumakey* open up more chances for the entrepreneurs of Kacang sangrai to show their adherence to this communal activity and empathy with what happens around them since they will have to interact with other entrepreneurs, vendors, and farmers. Their active involvement in *Sumakey* strengthens the perception about the strong attachment of the entrepreneur in the normative level. Therefore, it prevents these entrepreneurs from any business agreement which eventually poses threat for the business sustainability. In other words, social norm capital emerging from *Sumakey* results in social bond between the entrepreneurs and other actors within the circle of Kacang sangrai small industry. The ignorance of this value leads to social sanction, so their adherence to this value minimizes the threats, meaning that social capital has economic influence.

4.1. *Ma'endo* (Economic Activities to Build a House and Cultivate a Field)

Kawangkoan society perform this mutual assistance to cultivate a garden or renovate a house. It is conducted in two ways: First, a group of 20 to 30 people offers their help to renovate the house or cultivate the field and in return they will get certain amount of money. This group has a leader and supervisor who are usually the oldest are chosen by the members. Based on the story from the elderly, this supervisor was authoritative and never hesitated to whip any members of group who worked so slowly, so they could keep up with their friends. Probably, they had set a deadline to cultivate 3 or 4 fields in a day. It is surprising that no one dared to oppose what the supervisor did to them, and it shows that these people had high discipline. The income will be fairly and evenly divided and will be given weekly.

Recently, *Ma'endo* is rarely performed due to the decreasing amount of land, but it does not diminish the enthusiasm of people to have mutual help. It can be seen in the activities in Kacang sangrai small industry. They will gladly help each other. All workers must come on time to work. If they are late, they must make up for it as explained by Mr. MS:

"All workers know their duties and obligation. The activities in my small industry start at 8 a.m, so I hope that all workers have finished their domestic activities. Their coming late will disrupt other activities, so they must make it up by changing working hour or working overtime"

It implies that the spirit of *Ma'endo* shown in their working together at the time they have agreed leads them to have strong discipline, which then supports the activities in Kacang sangrai small industry. All workers know that they must work over time if they are late. It has become their habit and consensus.

Second, the house owners and/or the field owners form a group through which they will have a social gathering called 'arisan' to work on field/house. All these members will take turn (*Ma'endo arisan*). A member having larger field/house will give more money to be group savings. In this case, sincerity is important in order to avoid problem in terms of differences in the sum of money they give. The old houses in Kawangkoan still use thatched roofs, and only few of them uses zinc roofs. Since most houses use thatched roofs, these roofs must be replaced with a new one every year. To renovate these houses, some people from *ba'atap arisan*.

The economic activities of *ma'endo arisan* has been frequently performed by the society since it becomes the pervasive culture within the society. Mutual assistance is also seen in the activities of Kacang sangrai small industry. They form a group of 'arisan' as a way to help others to alleviate their financial problem. It is important to save money and strengthen financial condition. This 'arisan' really helps the members because its main purpose is to offer assistance for the members instead of taking profits.

"I join this 'arisan' to add value to my money. When I need money to build a house, for example, I will use that money".

The economic activities in *Ma'endo* are completely useful for the actors in Kacang sangrai small industry. It makes them wiser in spending money they have earned.

4.2. Pa'ando (A group of arisan in the form of Rotating Savings)

This *mapalus* form is performed by a group of women who forms 'arisan' taking place at a fixed interval, mostly at weekly interval. This activity is beneficial for the family who need a great sum of money used for school tuition, house renovation, and other purposes. The long history of *Mapalus* in Kawangkoan community proves that this activity has greatly helped the community in Kawangkoan to improve their welfare. In addition, this activity increases their devotion to God who has bestowed them blessings.

In its relation to the effort of the entrepreneurs to sustain their Kacang sangrai business, the norm reflected from the involvement in *pa'ando* can be used to obtain access to other possible financial sources necessary to resolve any urgent situations. In other words, the entrepreneurs can use norm social capital in *pa'ando* in certain occasion to find economic capital assistance to maintain the business.

CONCLUSIONS

Norms and Values social capital are reflected in the daily life, particularly in the culture called '*Mapalus*' as a form of social cooperation growing within the Minahasans to help each other (*me-lo'or2an*) and assist each other (*men-sulesulean*). *Mapalus* in Kawangkoan includes various social activities as follows (1) *Mendu impero'ongan*, a community service performed by the villagers; (2) *Berantang*, providing help for the bereaved family; (3) *Sumakey*, celebrating certain occasions together. *Mapalus* also exists in economic and financial activities such as: (1) *Ma'endo*. It refers to communal activities to cultivate the field or to renovate houses; and (2) *Pa'ando*. It is a financial activity in a form social gathering known as '*arisan*'.

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