

## Social Capital for Young Indonesian Entrepreneurs' Development



Mardani H Maming<sup>1</sup>, Mustain Mashud<sup>2</sup>, Falih Suaidi<sup>3</sup>

<sup>1</sup>Student of Doctoral Program in Social Sciences, Airlangga University, Indonesia

<sup>2,3</sup>Airlangga University, Indonesia

**ABSTRACT:** Young Indonesian Entrepreneur, founded in 1972 with the founder Abdul Latief. This organization is a group of young Indonesian entrepreneurs to drive the nation's economy. In addition, HIPMI is also a place for young entrepreneurs to start a business so that they can overcome cultural and structural barriers so that they can develop. The ability to master social capital can enhance the development of Young Indonesian Entrepreneurs. So the research aims to provide an overview of how the process of social capital in business development. The results of data analysis and reference literature review show that not all young Indonesian entrepreneurs use social capital in developing their business progress. Selection of a development strategy through increasing skills in mastering social capital is very effective in increasing cooperation, and the performance of business capabilities of young Indonesian entrepreneurs. The main finding of this study is that social capital is the best element in developing the business skills of young entrepreneurs, the ability to master economic capital including the ability to cooperate to become part of the government or bureaucracy, the organizational values of young Indonesian entrepreneurs, the value of trust and networking relations. In the future, it is suggested to research modifying the development of young Indonesian businesses based on economic capital and social capital in the realm of digital media.

**KEYWORDS:** social capital, young entrepreneurs, young Indonesian entrepreneurs.

### I. INTRODUCTION

Indonesian young entrepreneurs are organizations that end up creating young entrepreneurs to support the Indonesian economies strong. According to the search results, there are various sources of data on youth entrepreneurship worldwide. The World Bank collects primary data from business registries in more than 170 economies to measure entrepreneurial activity [1]. The United Nations Conference on Trade and Development (UNCTAD) produces more than 150 indicators and statistical time series to help young entrepreneurs access reliable statistical data [2]. The Organization for Economic Co-operation and Development (OECD) also provides data on self-employment and entrepreneurship activities by youth, including self-employment rates and the proportion involved in entrepreneurship activities [3]. About 11.1% of new youth entrepreneurs in the European Union (14.6% in OECD countries) reported that they expected their new business to create at least 19 jobs [3]. Youth entrepreneurship is also attractive to policymakers because of the high rates of latent entrepreneurship among young people.

According to the search results, the number of young entrepreneurs in Indonesia is still low compared to neighboring countries such as Malaysia and Singapore [4]. The percentage of entrepreneurs in Indonesia is only 3.4% of the population, which is far from the 12-14% needed to become a developed country [4][5]. The majority of business owners in Indonesia are high school graduates, with 39% being graduates of senior high school (SMA) [6]. Meanwhile, only 28% of business owners have a Diploma IV/S1 degree as their highest education level [6]. To become a developed country, Indonesia needs more young entrepreneurs, and there is a need for a movement to encourage and support entrepreneurship in the country [4][5]. Despite the low percentage of entrepreneurs, there are many successful young entrepreneurs in Indonesia who have started their businesses from scratch and achieved success in various fields, including digital startups and culinary businesses [7]. The Indonesian government has prioritized supporting micro, small, and medium enterprises (UMKM) and creating young entrepreneurs in the country. The government aims to increase the percentage of entrepreneurs in Indonesia to around 5% [8]. The Ministry of Cooperatives and Small and Medium Enterprises has been working to increase the number of young entrepreneurs and create new job opportunities [8].

The government is also trying to overcome various challenges in developing entrepreneurship in Indonesia, such as improving entrepreneurship education, creating an entrepreneurship ecosystem that helps UMKM adopt technology, and standardizing data [8]. The Ministry of Cooperatives and Small and Medium Enterprises has implemented incubation as a model

## Social Capital for Young Indonesian Entrepreneurs' Development

for entrepreneurship development in Indonesia. The government is collaborating with universities to foster and cultivate interest in entrepreneurship among young people. The government's efforts are aimed at filling the gap in policy development for young entrepreneurship in Indonesia and serving as a reference for the central government[9]. The Indonesian government has implemented various programs and policies to support the development of entrepreneurship in the country. One of the government's priorities is to support micro, small, and medium enterprises (UMKM) and create young entrepreneurs in the country. The government has developed the National Youth Entrepreneurship Strategy Document (Stranas KwP) as a reference for the central and regional governments in developing policies for young entrepreneurship in Indonesia. The government has also implemented various programs to develop young entrepreneurs, such as entrepreneurship development programs from the Ministry of Youth and Sport, entrepreneurship training and digital literacy from the Ministry of Manpower, and entrepreneurship training for UMKM[8]. The government has also prioritized strengthening the entrepreneurship ecosystem that focuses on value-added and technology utilization. The government has also implemented structural reforms such as the Job Creation Law and the Tax Regulation Harmonization Law to support economic transformation in Indonesia. The government has also implemented various policies to mitigate the impact of the COVID-19 pandemic on the economy, such as fiscal and monetary policies, and the National Economic Recovery Program (PEN).

The age of youth in the age range of 16-30 years places them as part of the workforce population. According to the 2017 population census, Indonesia experienced a very large surplus in the workforce population, namely the labor force population: of 176.5 million (67.38%), while the rest were the elderly 14.6 million (5.59%), and toddlers and schools: 70.7 million (27.01%). A large number of the working-age population is a demographic bonus. According to Gribble and Bremner (2012), a demographic dividend is an accelerated economic growth that begins with a change in the age structure of a country's population during the transition from high to low birth and death rates. Demographic bonuses can be said to be "bonuses" if the productive age in a country is truly productive so that the country's economic growth acceleration can occur. Increase in young people running businesses The number of entrepreneurs is an important key in welcoming the demographic bonus and not falling on the demographic burden. Because the large number of young people who are entrepreneurs will open up very broad opportunities for job creation. However, this preparation is still a big problem for the Indonesian state considering that the percentage of entrepreneurs (including young entrepreneurs) in Indonesia is still very small compared to the percentage of entrepreneurs in other countries, especially in countries in the Southeast Asia Region. Indonesia is still in the range of 3.47% of the total population, far from Singapore which has 8.76% of entrepreneurs and still below Malaysia's 4.74%, Thailand's 4.26% and Vietnam's 3.3%. Even America and Japan have soared far at 10% of their citizens who are involved in the business world and European countries at 14%.

Research on entrepreneurship has been carried out by many experts including studies [10], [11], [12], [13], [14], and [15] which examine the development of entrepreneurship in youth from aspects of local culture, information technology media, and capital, as well as studies [16],[17] which examine the role of entrepreneurship education in developing entrepreneurs and studies conducted by [17] and [18] which examine the role of entrepreneurship education for people who have dropped out of school and are unemployed in developing entrepreneurship. Subsequent studies on entrepreneurship in youth are studies that focus on the role of entrepreneurship education in developing the interest and spirit of entrepreneurship in youth as carried out by [16], [17], [19]. In [16], examines entrepreneurial skills in technical vocational education and training as a strategic approach to achieving youth empowerment in Nigeria. They find that youth unemployment can be overcome by providing opportunities to young people from previous generations can be achieved through the informal sector and can be achieved through entrepreneurship training in education and technical vocational training.

In [10], which examines the development of a culture-based creative economy young entrepreneurs in the Special Region of Yogyakarta found that: first, the development of culture-based creative industries in the Special Region of Yogyakarta has great potential because it is supported by abundant cultural wealth, but in this development still facing several obstacles such as limited productive natural resources and limited raw materials. Second, the skills of young entrepreneurs in the culture-based creative economy must be improved from mere mastery of the creative industries to mastery in the field of innovation and product marketing. Third, for this reason, a program for the growth, development, and development of young entrepreneurs in a culture-based creative economy is needed through institutional strengthening activities, increasing added value and product competitiveness, and increasing accessibility of sources of capital and markets.

Studies on youth and entrepreneurship were also carried out by [11], who examined the structural analysis of startup business strengthening programs for youth entrepreneurs using interpretive structural modeling. This study found that the success of the startup business strengthening program was indicated by the increasing number and capacity of entrepreneurs. Therefore, reliable mentoring efforts are needed, strengthening incubators / professional start-up business service units and incentive systems for entrepreneurs and their activists.

The next study is a study that focuses on strengthening youth entrepreneurship through information systems as was carried out by [12] which examines the digital literacy movement to study youth empowerment through an information system program for village creative potential in Kulonprogo. He found two important aspects related to youth empowerment. First, youth

## Social Capital for Young Indonesian Entrepreneurs' Development

empowerment in the social, cultural, and economic fields needs to be accompanied by a digital literacy movement. Second, with digital literacy skills youth can contribute to village development through the use of the internet. In this digital era, youth cannot be separated from information technology. The Village Creative Potential Information System (SIPKADES) seeks to empower youth to be digitally literate so that they participate in developing villages through the use of information technology. Applying a community empowerment strategy with a community-based resource management approach, SIPKADES seeks to encourage youth to be able to recognize the local potential of the village with the right slogan think globally, act locally. The SIPKADES program has more or less succeeded in arousing youth to be digitally literate. Youth are aware that their opinions and thoughts are needed and deserve to be voiced to a wide audience, one of which is through the SIPKADES website.

Maintaining young entrepreneurs as business pioneers is something that must be done, serious efforts are needed to develop the competence of Indonesian entrepreneurs. Efforts so far that have focused on developing capital to support the growth of young entrepreneurs have been ineffective, so another more socio-cultural approach is needed to improve the capabilities of young Indonesian entrepreneurs.

## II. METHOD

This study uses a qualitative method to gain a deep understanding of the practices of young entrepreneur members of HIPMI in developing their businesses. With this method, researchers study objects in their natural context, which seeks to understand or interpret phenomena in terms of the meaning attached to humans (researchers) [20] to them. The phenomena studied by this qualitative method are directed at a detailed examination of the problems that arise naturally in social life [21]. The research subjects in this study were subjects who were selected based on certain considerations with previously known characteristics. The selection of informants was based on the following considerations: first, entrepreneurs who are members of the HIPMI association, second, the chairman of HIPMI in the New Order, reform, and contemporary eras, third, are still active in business activities. Data were collected using in-depth interview techniques and direct observation of the HIPMI organization.

## III. RESULT AND DISCUSSION

Coleman in one of his writings entitled "Social Capital in the Creation of Human Capital"[22] explains social capital is a conceptual means for understanding the theoretical orientation of social action by linking various components from a sociological and economic perspective. In other words, Coleman uses economic principles in studying a social process.

In another work entitled "Foundations of Social Theory"[23], a work which contains the results of the development of his thinking about social capital; In this work, Coleman explains that social capital is the same as economic capital, not much different, because both are productive. In the development of the business world, it is not much different from economic capital, without social capital, a person will never be able to achieve his goals, achieve success, and obtain optimal profits.

Social capital is also considered important by young HIPMI entrepreneurs. With social capital, they can develop and achieve their goals, by making good use of the social capital that they had from the start or that they obtained when they founded the company. From the findings, the following are forms of social capital used by HIPMI member entrepreneurs:

### 1. Being part of the Government/bureaucracy:

By becoming part of the government, or taking part in making a policy, this is of course a tool or strategy that can be used to facilitate all activities related to government bureaucracy.

As was the case with Abdul Latief when he first formed HIPMI. At that time, rumors spread that when HIPMI was formed, the organization was banned because it did not include the government in discussions about its formation. However, Abdul Latief immediately dismissed this with a statement, that it was true that when the invitation by the State Intelligence Coordinating Agency (BAKIN) was fulfilled, the discussion they had was not related to banning the organization that had just been formed on June 10, 1972. The calling by BAKIN is not related to a negative connotation, but vice versa. This is as expressed by Abdul Latief, namely:

The entry of several HIPMI members to become part of the Government was carried out as a strategy to be able to change policies that could make it easier for entrepreneurs to develop their business potential. This is in line with what was stated by Abdul Latief, namely:

As the contents of Article 14 of the GBHN itself read: "Economic development based on Economic Democracy determines that society must play an active role in development activities. Therefore the Government is obliged to provide direction and guidance on economic growth and create a healthy climate for the development of the business world; conversely, the business world needs to respond to direction and guidance as well as to create this climate with real activities."

With the entry of HIPMI, which is an organization working in the field of cadre in the business world, it is hoped that this will become a means to contribute to increasing Indonesia's economic growth. It is also expected to be able to encourage people who have an interest in entrepreneurship – but always experience difficulties or obstacles in administrative matters of the Government, to be able to play an active role in being part of increasing Indonesia's economic growth.

## Social Capital for Young Indonesian Entrepreneurs' Development

Quoting Abdul Latief's thoughts which were inspired by a one-day seminar at the Massachusetts Institute of Technology (MIT), where one of the speakers was presidential advisor John F. Kennedy, namely Prof. Paul A. Samuelson. When asked by Abdul Latief regarding how America could quickly rise after World War II, Samuelson said this: "Because of America, we have 14% entrepreneurs."

This indicates that the role of entrepreneurs is really big in developing the United States economy. For this reason, if quantitatively there are a large number of entrepreneurs in Indonesia, this will certainly have a significant impact on the growth of the Indonesian economy. Of course, to be able to achieve this goal, one form of social capital that can be used as a strategy is to become part of the government, or to take part in making a policy. This is of course a tool or strategy that can be used to facilitate all activities related to government bureaucracy.

In addition, the strategy of becoming part of the Government was also revealed by Eka Sastra – Deputy Chairperson of BPP HIPMI for the 2019-2022 period. About this, Eka Sastra said:

"Fortunately, my business is a business that does not require too much bureaucratic hassle. For example, exporters only need an export permit. If the export permit is easy, the complicated one is the import permit. Because exports provide income for the country, it's easy to deal with. Well, at least...and alhamdulillah in the bureaucracy, say in Makassar, on average my friends, college friends, and organizational friends (HMI, HIPMI), don't need too much-complicated bureaucracy. It's different if a licensing-based business is easier. Some businesses based on trading cards and nickel are easier. But if my core business has nothing to do with policy, this coconut one. Whatever policy I want depends on how many coconuts I collect, their quality capabilities, good processing, and prices on the international market. So, I read that there are businesses that are closely related to licensing, although everything needs a permit, for example. But in terms of my trading business, it helped a lot because I was in the DPR at that time, also at the Ministry of Investment for example."

Social capital: this strategy of being part of the Government, according to Eka Sastra, is a tool that can be used to support the smooth running of its business. By making good use of this social capital, Government policy regulations that are considered quite troublesome can be properly conditioned.

Apart from utilizing this social capital to facilitate business management, Eka Sastra also revealed that the utilization of this social capital can also take the form of:

By becoming part of the Government, the main obstacle that has been attached to society – that to start a business, the main capital that must be owned is financial capital, can be used as a solution to these obstacles.

Even though the approach used by Eka Sastra in using social capital: the strategy of being part of the Government is different from Abdul Latief's. Eka Sastra takes an individual approach, he uses this social capital as a tool to facilitate the smooth administration of the business he is developing. While Abdul Latief uses an organizational approach, he makes use of social capital: the strategy of being part of this Government to increase Indonesia's economic growth.

### 2) HIPMI as an organization for young entrepreneurs

HIPMI is an organization that creates cadres for young entrepreneurs, especially in building character and developing the ability of cadres to respond to the challenges of the times. The HIPMI organization itself offers many positive sides for young entrepreneurs, such as networking, business inspiration, opportunities, partnerships, and others. According to Abdul Latief the founder of HIPMI, three factors are interrelated to each other. First, the strength and value of the concept instilled by the founder are maintained and carried out properly by the next generation. They always care about the true values as the foundation of the organization. Such factors are very important and very strategic because they have succeeded in making the organization never lose its identity. Precisely identity and character will be more mature through many years. The second factor is that generations have the same perceptions and perspectives in seeing organizational goals. HIPMI's goal is to produce as many young entrepreneurs as possible who have a high sense of nationality and are ready to become fighting entrepreneurs. HIPMI entrepreneur is a businessmen; and moral, so they become meaningful national figures in the future. The third factor is the spirit of togetherness within HIPMI is very strong. It can even be categorized as a fanatical brotherhood. Whether we realize it or not, positive fanaticism thrives within HIPMI. This sense of brotherhood is attached like a child defending his father, or a kind of younger brother supporting his older brother.

According to HIPMI, entrepreneurs are dynamic and learn to organize to develop and become even better in the future. HIPMI is the Crater of Chandra in the Face of young entrepreneurs and young leaders in Indonesia. Entrepreneurs at HIPMI are dynamic, which means their presence at HIPMI is not only limited to gathering and having fun. But within one bond of the HIPMI Extended Family, a maturing process takes place. Among these processes, among them are entrepreneurs who forge various kinds of relationships there. Through HIPMI, entrepreneurs eliminate the gap between seniors and juniors. Entrepreneurs respect their seniors very much, and the relationship that exists in HIPMI makes all members close. The old culture is respected and the young are loved, this is a culture that is so strong in HIPMI. There are beautiful relationships between people at HIPMI, beyond friendship in business or friendship in organizations. If someone speaks unfavorably about someone, reflexively they will defend each other, look after each other, and support each other. This culture of brotherhood and tradition of pushing each other forward



## Social Capital for Young Indonesian Entrepreneurs' Development

has made all the big HIPMI families hate commotion and conflict. The reason is that by being united, it is not certain that we will succeed in building such a large country, let alone being in conflict.

The tradition at HIPMI is unity, unity, and unity. If anyone disagrees with this culture, they will be thrown out of HIPMI. For example, a candidate who loses usually will be confused or cranky. It must be realized, someone who is used to being confused is generally based on the lust for power. He ran as a candidate because he wanted power. In HIPMI, people who want to rule in this way will be finished. HIPMI is also intended as a means of learning or a place to gain knowledge and exchange experiences among fellow members. Through HIPMI, members work together to bring each other closer to each other and eliminate feelings of awkwardness, because indeed everyone at HIPMI is brother and sister. Through HIPMI, many relationship channels are very useful for entrepreneurs. As an organization, HIPMI does not only act as a forum for creating superior entrepreneurs in Indonesia, HIPMI also plays many roles as a forum for its members to learn and develop their abilities.

HIPMI's first motive is to increase the number of entrepreneurs. Second, is to improve the quality of entrepreneurship together, to be more precise, carry out activities of exchange of views, as well as exchange of experiences, as well as getting input from experts outside HIPMI. Now there is an acceleration of engineering and entrepreneurship science. Trying to constantly increase knowledge is an absolute must. Entrepreneurs who do not gain knowledge will be left behind. The Japanese giant like Sony collapsed and sold the company to Samsung. New inventions such as the BlackBerry, since WhatsApp was immediately left behind. Nokia used to dominate the smartphone market. The world moves faster. Of course, exploring and practicing business knowledge must be faster if you don't want to be left behind. And HIPMI is here as a forum to accommodate aspirations and provide everything entrepreneurs need to spread their wings to become part of the development of the national economy.

### 3) Trust

One of the efforts that can be made by business people to keep the company afloat amidst the onslaught of technology and an increasingly sophisticated era, one of which is by building good relationships with all parties involved in managing the business. Efforts that can be made to maintain this good relationship is by building and maintaining trust, both within the company and with business relations.

Trust is a very important component for the continuity of a business managed by entrepreneurs. When mutual trust between one party and another within the scope of the company is formed, then each party will naturally feel comfortable in being able to continue to extend cooperation and deepen relationships. So that, trust will also bring the various parties involved to synergize well to achieve the goals (goals) to advance the company, together.

Trust is also not formed easily, nor is it created at the first interaction. It takes a long time and deliberate effort to build trust. Trust can't be forced, can't be done by deceit, and it can't be influenced by place or situation. Building trust in other people is not easy. It depends on one's own behavior and the ability of others to trust and take risks.

To earn trust, a person will expect a sense of responsibility, believing that they will behave in trustworthy ways. One will hope that the person he wants to trust will understand his expectations and know how to overcome his limitations, therefore the most essential thing of trust is openness. Factors that influence individual trust in developing their expectations about how someone can put their trust in others depend on the factors below [24].

First, personality predisposition, which shows that each individual has a different predisposition to believe in others. The higher the level of individual predisposition to trust, the greater the hope to be able to trust others. Second, reputation and stereotypes, even though individuals do not have direct experience with other people, individual expectations can be formed through what is learned from friends or from what has been heard. The reputation of others usually forms strong expectations that lead the individual to see the elements for trust and distrust and lead to a relationship approach of mutual trust.

Third, actual experience, in most people, individuals build facets of experience to speak, work, coordinate and communicate. Some of these facets are very strong in trust, and some are strong in distrust. Over time, both elements of trust and distrust begin to dominate experience, to stabilize and easily define a relationship, when the pattern is stable, individuals tend to generalize a relationship and describe it with high or low trust or distrust. Fourth, psychological orientation, which states that individuals build and maintain social relationships based on their psychological orientation. This orientation is influenced by the relationships formed and vice versa. In a sense, so that their orientation remains consistent, individuals will seek relationships that are in accordance with their souls.

There are several supporting aspects that can make trust known as the social capital of an entrepreneur. There are various kinds of efforts that can be made, one of which is by 'trying' and 'proving'. In this case, Eka Sastra said that in order to gain the 'trust' of investors, what he has to do is work on how the business he offers can attract the interest of potential investors to be able to invest in the company he is building. About this, Eka Sastra said:

"So I (am), one of the few lucky people, suddenly got a foster father like that. The fighting factor too. Because firstly, I had this business concept, secondly, I had to invest again in buying a directory of importers of coconut, coir and their shells. I have that book. That's the first. I searched for it first, then I saw the contact number, that's all I texted. From there he was interested, he asked this and this, then slowly, just the same. Trust. But slowly, he sees our ability."

## Social Capital for Young Indonesian Entrepreneurs' Development

From Eka Sastra's statement above, it shows how the trust he gets from a 'adopted father', who is also a permanent investor in his company, is not obtained easily, but through a long process. There are various kinds of businesses, including efforts to prepare a mature business plan, in order to attract interest. Then the effort to find out the importers related to the business he will develop. Up to the effort to convince potential investors to invest and trust in the company. Eka Sastra did all of this with the aim of attracting potential investors and convincing them to be able to invest.

Not much different from Eka Sastra who tries many things to gain investors' trust, Raja Sapta Oktahari also thinks so in terms of accessing social capital: trust. According to Raja Sapta Oktahari, one of the things that can be done is by 'working on' what is called capital itself (trust), then trust will lead. Related to this, as stated by King Sapta Oktahari, namely as follows:

“Capital... Capital is an indispensable part of business activities. Capital, only capital (financial) is not everything either. If everyone waits for capital first, there will be no entrepreneurs. There are all employees. If everyone waits for capital first, when will work start? Precisely the entrepreneur seeks capital. Capital is trust. that's it, people.. and, me, in this business digital market, capital market, meaning the capital market (meaning financial capital can be accessed with various options).”

From the expression of Raja Sapta above, it shows how he interprets trust over financial capital. To be able to become an entrepreneur, Raja Sapta assumed that entrepreneurs are people who seek capital, and that capital is trust. To become an entrepreneur, you don't have to have financial capital as the main thing. He further believes that trust, is the most important component for entrepreneurs.

Efforts that can be made to gain this trust are by means – the most important thing is to have a strong will to become an entrepreneur. With someone having a strong will to become an entrepreneur, he will try hard to seek various kinds of opportunities to become an entrepreneur; making business plans, looking for supply and demand, entrepreneurial strategies, to technology to develop products.

Raja Sapta also believes that by having a strong will to become an entrepreneur, someone who has passion in that field will automatically gain trust. It's just a matter of how that person will maintain and develop that trust again, this is the challenge of every entrepreneur.

### 4) Relations/networking

One of the factors that encourage business development is networking. Networking in the business world refers to the ability of owners to gain access to resources not under their control. The use of networking is considered capable of reducing the risk of business failure and increasing the size of a company's chances of success.

Brüderl and Preisdörfer (1988), argue that although most use of networking to date has focused on creating new businesses, owners face the same problems after starting a business. Therefore, established company owners can refer to various personal networks that can support the company to be more successful [25].

In other words, the use of networking is not limited to the beginning of a business or company, but will always be attached to every management process that occurs after the establishment of a business. The formation of networking also goes through a long process, often even long before the establishment of the company. As expressed by Eka Sastra who formed a network since he was in college. Related to this, Eka Sastra said:

“...(during college) I was active in HMI (Islamic Student Association), then I was also in ISMEI (Indonesian Economic Student Senate Association), so I studied in Jakarta. Thank God I was active in many activities as well, and when I was in college I had an internship at UNDP PBB. The business continues to run in Makassar, managed by my friends. And started to go into agriculture as well. Plant corn, then some like seaweed. There are several that we run, we are engaged in the agricultural sector. So from there I was connected to enter because my background is Economics.”

From Eka Sastra's expression above, it shows how he builds working relationships by actively participating in many activities when he was in college, including joining student organizations. Eka Sastra believes that being active in looking for relationships since he was in college, it will be very useful to support his future business, including finding partners to work together in managing a joint business.

If Eka Sastra interprets networking as an asset that should be formed from university, Pontjo Sutowo differs from what was put forward by Pontjo Sutowo regarding how he interprets networking, namely by establishing closeness with those in power and holding important roles in the government bureaucracy. Related to this, Pontjo Sutowo said:

"The main point, if we are honest, is that closeness to the authorities is decisive. Because natural resources are controlled by the state, the state is represented by the authorities. Because our economy is based on natural resources, resource-based economy, that is."

Pontjo Sutowo's statement above shows how closeness to the authorities can be an aspect that determines business development, especially those related to natural resource management. Closeness to the rulers is very important for entrepreneurs to establish, this is because as entrepreneurs, we must have the strength or backing to avoid problems related to the group of surplus seekers (surplus seekers).

The group of surplus seekers usually has a strong and solid position in society. They emerge with activities called 'rent seeking activities' from some people who have obtained 'economic rents' because of their closeness to the authorities, so they get

## Social Capital for Young Indonesian Entrepreneurs' Development

better economic opportunities. They receive facilities and support from authorities who have power and position in the bureaucratic structure.

Furthermore Pontjo Sutowo also revealed that closeness with the authorities will ease our way to become entrepreneurs in the future. Related to this, Pontjo Sutowo said:

"Yeah..we actually have to get along with them. Give an overview. Even though it has changed today but it is still that thick. sometimes it makes me dizzy. I know a lot of people in the bureaucracy. O Allah, sometimes.. what is it.. I might be an impatient person, that's it. We have to jump, don't don't jump, boss. If you miss, you don't advance at all.."

According to Pontjo Sutowo, as a businessman, closeness with bureaucratic rulers is decisive, providing an illustration for the future how our business path will be facilitated by this relationship. Even though actually establishing closeness with the rulers requires a lot of extra patience, because often the rulers seem to be 'troublesome', we still have to do this, because if we don't have relations with the bureaucratic rulers, we will be left behind, in the sense of the way in the future we become rulers will experience difficulties administratively.

Another view on the importance of networking in business development was put forward by Hariadi Sukamdani. He interprets networking as a way to establish relationships with other entrepreneur families. He is of the opinion that a person who wants to become an entrepreneur because his family is a businessman, and someone who wants to become an entrepreneur but whose family background is not from a businessman, are the same. They both have the same opportunity to become entrepreneurs, provided they can form and maintain good relationships as capital to develop their business. These two categories have the same opportunity to become entrepreneurs, what differs is how they access and take advantage of the relationships they have as opportunities, and how to manage them so that they can be an advantage for their companies. Related to this, Hariadi Sukamdani stated:

"So, if we talked about social capital earlier, then social capital from entrepreneurs is actually a network. networking. So if we talk socially it is indeed networking. When it comes to social capital, both those who grew up in a family of entrepreneurs and those who are not entrepreneurs are the same. Because the main capital, if an entrepreneur is true, his social capital is networking. The more friends he has, the easier it will be for him to run his business, I think."

From Hariadi Sukamdani's expression above, it shows that the thing that distinguishes someone who becomes an entrepreneur because of his family background is an entrepreneur and those who do not come from an entrepreneur background is how they seek networking itself. Someone who does not come from a family of entrepreneurs will put extra effort into finding and establishing relationships with people who have an interest in the company he is about to build. According to Hariadi Sukamdani, there is a slight difference in how these two categories form their networking. On this matter, Hariadi Sukamdani added:

"Because now there are also many children whose parents are not entrepreneurs but are professionals, they hang out with friends who have their own businesses. This also appears, the desire for him to become an entrepreneur like that. So if it comes back to me personally, because I grew up in a family that was already self-employed, so I got additional capital, apart from social networking capital, there is also a mentor, that's how it is. That's what friends who are just starting out may not get. I have something to ask you, you know."

Someone who comes from a business background will benefit more because he can take advantage of a pre-existing relationship, a relationship belonging to his family's company. According to Hariadi Sukamdani, he is one of them. He will join in associating with other families who also come from the same background, namely the business family. He also has a 'mentor', which is a place for exchanging ideas about good business management and consulting on solutions to a problem that he encounters from time to time. In contrast to someone who wants to be an entrepreneur but does not come from a family of entrepreneurs. They will be more active in finding and establishing relationships. They don't get the 'privilege' of having a mentor. They will put more effort into establishing relationships with fellow entrepreneurs, then they will also think about how to manage these relationships so that they can provide beneficial feedback for their business.

Increasing the ability to master social capital is a new thing that must be considered seriously, basic skills in building cooperation with the government, maintaining the values built by HIPMI as the foundation for young Indonesian entrepreneurs, building trust values and maintaining networking relations. All of this is part of the findings in developing young Indonesian entrepreneurs in terms of social capital. Mastery of skills in social capital is an effective factor in increasing the ability of young Indonesian entrepreneurs to always be the driving force of the nation's economy.

## CONCLUSIONS

This research shows that not all young Indonesian entrepreneurs use social capital to the fullest. Using social capital as part of conceptual media in understanding social actions related to the economy. The ability to own the social capital of young entrepreneurs should be aligned with the ability to control economic capital. Using the abilities of young entrepreneurs in social capital can reduce dependency on placing capital control factors as the main thing. For future research, it is recommended to research modifications to the development of young Indonesian businesses based on economic capital and social capital in the realm of digital media.

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## Social Capital for Young Indonesian Entrepreneurs' Development

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