

# Social Capital and Community Motivation in Labuan Bajo, East Nusa Tenggara as Determining Factors in the Welfare Transformation Process

Mohamad Axel Putra Hadiningrat <sup>1\*</sup>, Gumilar Rusliwa Somantri <sup>2</sup>, Chotib <sup>3</sup>

<sup>1</sup>Doctoral Program, School of Strategic and Global, Universitas Indonesia

<sup>2</sup> Faculty of Social and Political Science, Universitas Indonesia

<sup>3</sup>Urban Studies Program, School of Strategic and Global Studies, Universitas Indonesia

## Abstract

This research aims to (1) Analyze the influence of social capital, which is directly related to community welfare in Labuan Bajo, and (2) Analyze the influence of motivation, which is directly related to the welfare of society in Labuan Bajo. The approach method used is the Explanatory Sequential Mixed Method, wherein the quantitative phase 1, data was taken from 310 respondents with a structured questionnaire for 2 weeks in Labuan Bajo, and continued with the qualitative phase 2, with Focus Group Discussion and in-depth interviews with 10 representative respondents. The findings of this research are that social capital and motivation significantly affect the transformation of community welfare in Labuan Bajo, West Manggarai, and East Nusa Tenggara.

**Keywords:** Social Capital; Motivation; Wellfare; Labuan Bajo; Explanatory Sequential Mixed Method

## 1. INTRODUCTION

Labuan Bajo is located in West Manggarai Regency, East Nusa Tenggara Province, with beautiful natural and cultural conditions. It has been determined to have the potential to develop into a tourist destination. The local government has declared Labuan Bajo as a Super Priority Destination, which is expected to improve community welfare with the charm of natural and cultural beauty and the local creative economy industrial sector (Ismowati et al., 2022).

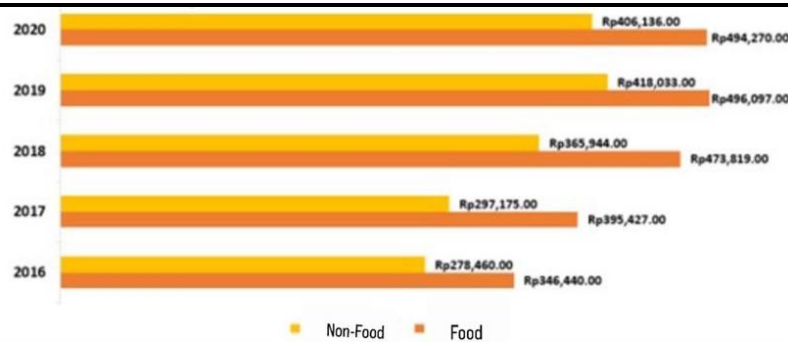
However, another problem arises with the inequality among the people of Labuan Bajo. The cost of living is high while people's income is still low, as can be seen from the minimum wage policy, which is far below the cost of living figure. Personal income is a factor that has a significant influence on consumption activities because consumption is directly proportional to income.

**Table. 1. Growth in UMR in Labuan Bajo 2018-2022**

Year	Nominal	Change (%)
2018	1.795.000	0.00%
2019	1.950.000	7.95%
2020	1.950.000	0.00%
2021	1.950.000	0.00%
2022	1.975.000	1.27%

Data Resources : Gatra.com (2022)

Labuan Bajo, which is included in the West Manggarai district, is an area that needs attention in terms of the size of the Regional Minimum Wage. Expenditure on food is greater from year to year compared to non-food expenditure as shown in the following picture:



**Figure 1. Bar Chart of West Manggarai Regency Community Expenditures 2016-2020**

(Source: BPS Publications, 2021)

Based on the available data, it is evident that meeting the daily needs of the residents of Labuan Bajo is still predominantly driven by food concerns. This underscores the prioritization of ensuring equal income within each family to cover essential food and primary needs. The elevated prices of food raw materials in the West Manggarai Regency, particularly in Labuan Bajo, can be attributed to higher fuel prices compared to those on the island of Java. Consequently, the cost of all essential commodities is relatively high. Additionally, a substantial portion of basic necessities is still imported from outside the Nusa Tenggara Timur (NTT) region, mainly from Java and Sumatra.

The onset of the Covid-19 pandemic in early 2020 posed challenges for local residents, as the tourism sector, a significant source of income, came to a standstill due to closures.

In coping with these challenging conditions, the people of Labuan Bajo leverage social capital in their daily lives. Social capital encompasses trust, norms, and networks, which are believed to enhance societal efficiency through structured actions and behaviors (Putnam and Robert, 2000). The Labuan Bajo community's social capital is fortified by the existing natural and cultural conditions, fostering mutual trust, kinship, and community connections. These elements prove instrumental, especially in challenging times.

This social capital motivates the community to proactively address their daily needs, inspiring innovation and the creation of economically valuable services and products. Consequently, motivational social capital plays a pivotal role in fostering innovation for the betterment of community welfare. With this backdrop, the research aims to investigate the relationship between social capital, motivation, and community welfare.

In light of the context and research questions, the objectives of this study include: (1) Analyzing the direct impact of social capital on community welfare in Labuan Bajo; and (2) Examining the direct influence of motivation on the welfare of the community in Labuan Bajo. The research hypotheses are as follows: (Hypothesis-1/H1) There is a direct influence of social capital on community welfare in Labuan Bajo; and (Hypothesis-2/H2) There is a direct motivational influence on the welfare of the people in Labuan Bajo.

## 2. LITERATURE REVIEW

### 2.1 Social Capital

Narayan and Michael (2016) explain how to calculate indicators related to social capital called the Social Capital Measurement Questionnaire (SCIQ). This means that this research was conducted in developing countries. In household surveys, there are a number of quantitative indicators of the level of social capital, such as differences in levels of expenditure and income within the household. Research findings reveal six dimensions of social capital, including: (1) groups and networks; (2) trust and solidarity; (3) performance and cooperation; (4) information and communication; (5) social cohesion and inclusion; and (6) authority and political action. Social capital is also included in the three main concepts of Pierre Bourdieu's (1995) research, namely: (1) field, (2) capital and (3) habits. Based on these three concepts, the next step is to identify the main players involved in this field. Bourdieu argues that it is not enough for us to just focus on results, but we must also measure the determining factors of relationships, transactions and important events in the field. Actors who have power will dominate and even monopolize this industry. In the next step, the researchers analyzed the amount of capital the actors had in

relation to their local relationships. Relevant capital includes: (1) Economic capital, (2) Social capital, (3) Cultural capital, and (4) Symbolic capital.

According to Chan et.al (2021), the dimension of social inclusion is a combination of modern and traditional values and norms. Modernity is rationality, efficiency, meritocracy, professionalism and individuality. These values are hard skills and soft skills, technical and practical knowledge in business and management, work experience, personality traits and professionalism and work experience. According to research (Raja, 2014), social capital is a desirable feature of social structure. It is a set of informal institutions that influence collective and beneficial values among society. Social capital in the form of social cohesion and inclusion acts as an external barrier and opens up mutually beneficial relationships within and outside the group. In general, social capital includes the diversity of social and cultural levels of individuals in a group. Community closeness is measured not only from its social structure, but also from mood, perception and sense of togetherness (Chotib and Beti, 2018). This solidarity unites members or individuals through moral relationships, a sense of responsibility, and similarities regarding a sense of belonging, religion, and origin. An example of social capital that is useful as a bond between individuals is group control that is strong and feels significant but does not cause differences in social status in society (Fati, 2019). The more important sub-dimensions of social capital are social cohesion and inclusion. This subsection is part of social capital which is an indicator of the close ties of individuals in society/community. Social cohesion is a set of social relationships that emerge when mutually influential relationships occur, forming networks, namely intangible resources, and helping to overcome problems in a particular society (Qiang and Yin, 2019). Social cohesion is also influenced by beliefs and principles, community organization, rules, social relationships, and social obligations and patterns. Despite theoretical differences, social capital can help improve the quality of family relationships (Nurbaiti and Chotib, 2020).

## 2.2 Motivation

The motivation theory used is the hygiene factor theory from Herzberg and Frederick (1968) and Adair (2006). This theory initially emerged because there were conditions in the workplace that were considered "satisfactory" by individuals in a society or organization and "unsatisfactory" by others. Perceptions of the success of individual achievements greatly influence motivation, which is divided into 2 (two) factors, including: (1) External/extrinsic motivation; includes important things such as: salary, incentives, bonuses, allowances measured in money; and (2) Internal/intrinsic motivation includes intangible things such as: exams, awards, opportunities for professional development and self-awareness. Apart from that, interpersonal relationships between individuals in society play a very important role in encouraging individual achievement. Another condition is comfort and safety which affects mental health in activities and also plays a role in work motivation. Motivation is defined as the act of motivating or influencing desires to be fulfilled and is considered a psychological process that occurs with the emergence of needs (Tamara et al., 2020).

A similar thing was also written by Lapsomboonkamol et al., (2020), where intrinsic motivation factors include altruism, cognitive self-improvement, personal interest, and professional autonomy, while extrinsic motivation includes appreciation, reputation, network, environment, and reciprocity. On the other hand, extrinsic motivation is a form of motivation that comes from outside, but this type of motivation quickly runs out. Basically, each person's motivation comes from themselves, motivation is like a furnace that burns and burns continuously, it must always be given fuel, otherwise gradually the motivation will decrease until it is completely extinguished. Intrinsic motivation is based on personal interest or enjoyment in an activity, without external rewards or pressure. Intrinsic motivation drives people to share knowledge based on personal interest or enjoyment, without expecting any material reward. And extrinsic motivation comes from the results of actions and focuses on goals such as financial rewards or career advancement (Sudaryono et al., 2015). Vahjosumidjo (1987) said that the motivation of each element of a leader has its own importance.

Therefore, motivation as a mental process arises from several factors within a person, namely internal factors or from factors outside the person, which are said to be external factors that are beneficial for further development. Positive motivation is an optimal combination of the two types of motivation mentioned above, where individuals apart from getting material satisfaction to fulfill their life needs, can also express themselves in self-awareness so that they can work and strive safely and comfortably.

### 2.3 Welfare

Alatartseva and Barysheva (2015) say that social welfare is measured from two (two) points of view, namely: (1) Objective aspect, where welfare can be measured materially, and (2) Subjective aspect, where welfare is the inner experience of each individual and is not material. A person is called "rich" if both sides are fulfilled, then there is no guarantee that someone who has a lot of material wealth, if he does not find peace in life, does not have time to worship or is in a low position, is oppressed, is called "rich", is depressed, oppressed, because he is entitled express opinions, have the right to appear as social beings, and gather. On the other hand, if a person's basic needs such as clothing, food and shelter are not included in the basic needs, then he is considered "not rich". Welfare is the order of life and social life. In terms of material and spiritual, security, morality and comfort, homeland and friendship, as well as physical and spiritual, it is possible for every citizen to realize the best physical, spiritual and social needs for himself, his home and society through the protection of rights. Human Rights (Ogwumike et al., 2018). According to Abdullahi et.al (2021), welfare is the main condition for fulfilling the material, moral and social needs of citizens so that they can live and develop properly to fulfill their social obligations.

The objective aspect consists of wages/income, expenditure (consumption), assets, living conditions, education and health, including: (1) working with sufficient income to meet basic needs for clothing, food and shelter; (2) the ability to meet nutritional and healthy food needs; (3) ability to reach health and education services; and (4) have a decent place to live. Subjective aspects include psychological, spiritual and social well-being. This aspect usually refers to a person's ability to: (1) a lifestyle that balances work and family; (2) interpersonal relationships, social networks and community support; and (3) a relationship with the Creator for good worship. Therefore, when a person accepts both objective and subjective aspects, he is considered rich and leads a healthy physical and mental life without stress.

### 3. METHODS

To support findings from quantitative data, tools are needed to achieve the most accurate measurements possible, namely qualitative data measurements. This approach is often called a mixed approach or mixed method (Sugiyono, 2020). In social science, selecting characteristics or aspects of social facts is an abstract problem that needs to be quantified (Koentjaraningrat, 1997). The research was conducted to analyze the extent to which social capital and motivation factors influence the transformation of the welfare of the people of Labuan Bajo, East Nusa Tenggara. This is important because Labuan Bajo is one of the top-priority destinations. Researchers are very interested in conducting a survey directly by coming to Labuan Bajo using a structured questionnaire instrument (in the quantitative phase) with 310 respondents for 2 weeks in Labuan Bajo, to be then continued with in-depth interviews (in the qualitative phase) with 10 representatives for 4 days in the exact location. This research approach is called the Explanatory Sequential Mixed Method, with two sequential phases: the first phase, the quantitative method, and the second phase, the qualitative method (Cresswell, 2016). The first step in quantitative method data processing is Structural Equation Modeling (SEM) using Lisrel software. SEM aims to test the relationship between latent variables in a model (Wijanto, 2008).

### 4. RESULTS AND DISCUSSION

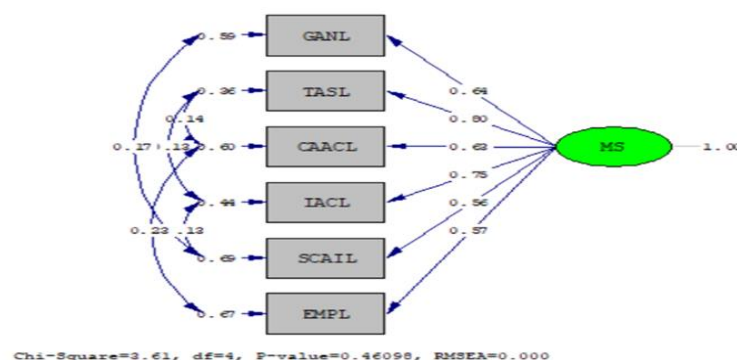
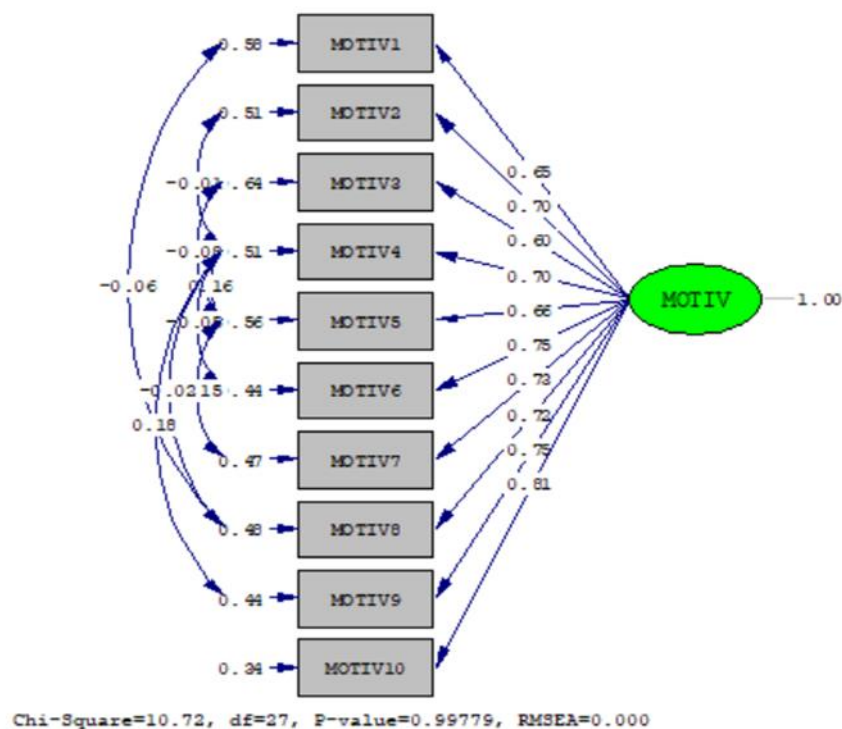


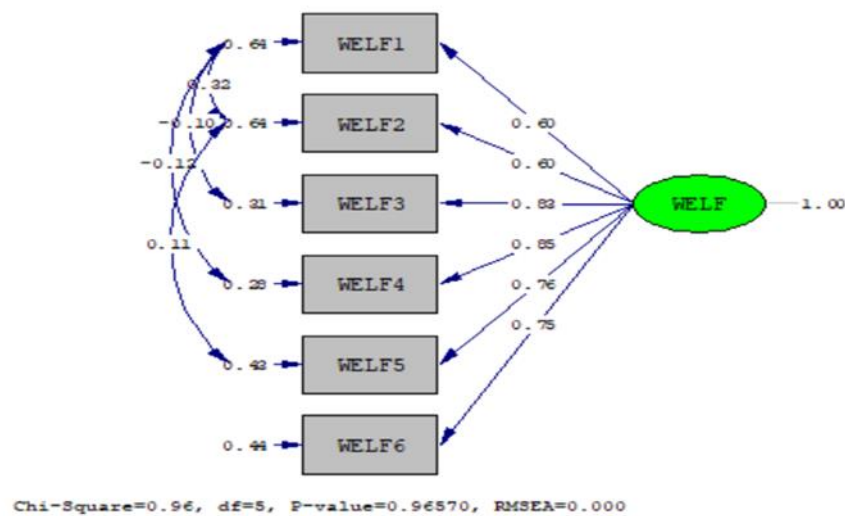
Figure 2. Test Results of the Social Capital Measurement Model

The test results of the SOCIAL CAPITAL variable measurement model test show that this variable is represented by the observed variables Trust and Solidarity (TASL), Information and Communication (IACL), Group and Network (GANL), Collective Action and Communication (CAACL), Empowerment (EMPL), and Social Cohesion and Inclusion (SCAIL) with a Standardized Loading Factor (SLF) value  $> 0.50$ . This means that, apart from having good validity, this variable also represents the respondent's perception. The reliability value is quite good, where the CR value  $> 0.70$ , namely 0.82, and the VE  $< 0.50$ , namely 0.44. The highest SLF value can be seen in the observed variable TASL of 0.80 to the lowest, namely the observed variable SCAIL of 0.56. The Trust and Solidarity (TAS) aspect is a sub-dimensional of the Social Capital variable. The GAN sub-dimension/variable that most dominantly represents respondents' perceptions is that business development/career development is easier for me to get in groups because of family relationships/friends/neighbors/close friends/people I trust (GAN3). For the TAS variable Donations and voluntary support, attention is also given if there are fellow business partners who have just had children (TAS2). Deliberation and family aspects are the most important things in daily interactions (CAAC3). Mutual cooperation is carried out to find solutions to every daily problem/difficulty (CAAC4). New ideas for developing the type, quality of products/services and marketing merchandise/job opportunities are disseminated through gadgets by utilizing social media (IAC3). Support for sharing tasks is carried out with me and my family/friends/friends/closest people in developing business/career (SCAI3). Something new can be obtained through other people's experiences both in terms of trade/work (EMP4). This phenomenon is in accordance with findings in the field, where people, because of their strong communal-based cultural ties, have social capital that has been internalized from their ancestors until now.



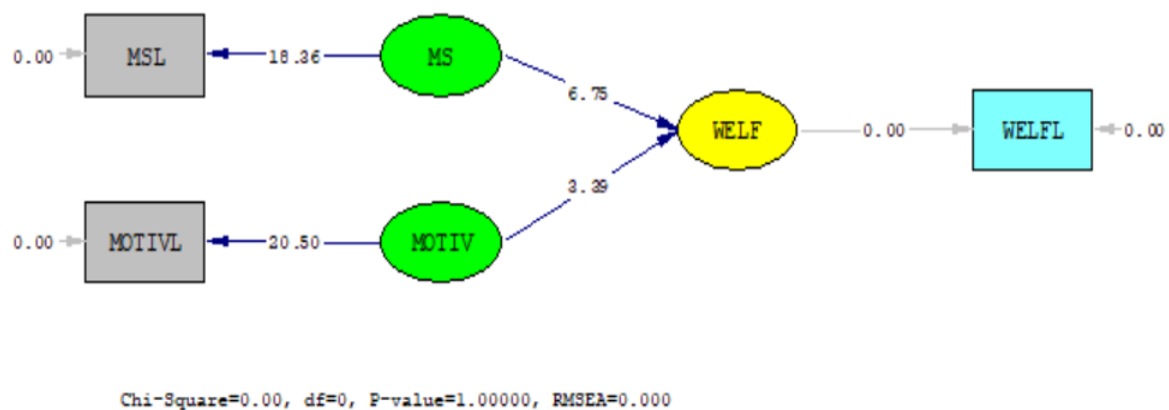
**Figure 3. Motivation Measurement Model Test Results**

The test results of the MOTIVATION variable measurement model show that this variable is represented by the observed variables MOTIV10, MOTIV6, MOTIV9, MOTIV7, MOTIV8, MOTIV2, MOTIV4, MOTIV5, MOTIV1, and MOTIV3 with a Standardized Loading Factor (SLF) value  $> 0.50$ . This means that, apart from having good validity, this variable also represents the respondent's perception. The reliability value is quite good, where the CR value  $> 0.70$ , namely 0.90, and VE  $< 0.50$ , namely 0.50. The highest SLF value can be seen in the observed variable MOTIV10, which is 0.81, to the lowest, namely in the observed variable MOTIV3, which is 0.60. The people of Labuan Bajo believe that a crucial factor in surviving and achieving a better life is the ability to adapt to the work/business environment (MOITV10).



**Figure 4. Welfare Measurement Model Test Results**

The results of the WELF variable measurement model test show that this variable is represented by the observed variables WELF4, WELF3, WELF5, WELF6, WELF1, and WELF2 with a Standardized Loading Factor (SLF) value  $> 0.50$ . This means that, apart from having good validity, this variable also represents the respondent's perception. The reliability value is quite good, where the CR value  $> 0.70$ , namely 0.87, and the VE  $> 0.50$ , namely 0.54. The highest SLF value can be seen in the observed variable WELF4, which is 0.85, to the lowest, namely in the observed variable WELF2, which is 0.60. The people of Labuan Bajo are of the opinion that welfare is not only assessed by measuring how much material they have, but prioritizes welfare from non-material aspects, by having time to worship and study religion in between busy business/work activities.



**Figure 5. Structural Model Test Results / Research Hypothesis Testing**

Based on the results of the hypothesis test above, it can be seen that Hypothesis-1 and Hypothesis-2 are accepted or proven. Hypothesis-1 which states that there is an influence of social capital that is directly related to the welfare of society in Labuan Bajo is proven/accepted. This is also proven in Hypothesis-2 which states that there is a motivational influence that is directly related to the welfare of society in Labuan Bajo. Social capital helps transform the people of Labuan Bajo from those who cannot afford to be able, from those who cannot become able, to overcome the difficulties and obstacles of everyday life. With all the existing limitations, it turns out that social capital has a significant impact on the transformation of the Labuan Bajo community in achieving prosperity, where the aspects that play the most role in social capital are Trust and Solidarity (TAS) and Information and Communication (IAC). This is reinforced by findings during in-depth interviews and Focus Group



Discussions that the role of traditional, religious and community leaders is important in solving problems of daily life, starting from economic problems, skills, knowledge, networking in seeking job opportunities and careers, as well as business. Word of mouth information is very effective in people's daily lives, especially when gathering at traditional events..

## 5. CONCLUSION

Based on the results of the field survey and data processing results, it can be concluded that:

- 1) The establishment of Labuan Bajo as one of the Super Priority Destinations (DSP) has yet to transform the local community to become more prosperous. The geographical condition of Labuan Bajo, a remote area, impacts the high cost of daily life, which cannot be offset by people's income, which can be seen from the local Regional Minimum Wage (UMR). In other words, there has not been a trickle-down effect with Labuan Bajo's status as a DSP.
- 2) The ownership of most investors in hotels, cafes, restaurants, and tourist attractions frequently visited by domestic and foreign tourists mainly belongs to immigrants, not native residents. This condition means that the community has a different bargaining position because capital owners/investors determine the wages/salaries of employees, most of whom are Labuan Bajo residents.
- 3) The construction of hotels, restaurants, cafés, entertainment venues, MSME product outlets, and local souvenir centers does not necessarily mean that people will get equal jobs. There is still unemployment that the market has not absorbed in terms of tourism and tourism development.
- 4) The high distribution costs related to the transportation of essential goods impact purchasing power and the allocation of public funds to meet living needs. Human Resources (HR) quality still needs to catch up because people with existing purchasing power/income still prioritize fulfilling primary needs (food) rather than education and health.
- 5) The unequal distribution of infrastructure development, such as paved/hot mix provincial road access, street lighting, and access to electricity and clean water, especially in coastal areas, inhibits society from transforming its quality of life into a better one. The author experienced this reality when visiting the village of Warloka Pesisir, where road access is relatively poor, rocky sand, no street lights, PLN electricity only until 6 pm, the rest of the people use solar electricity, candles, Petromax, and internet signal access is difficult.

The role of traditional, religious, and community leaders is significant in motivating the community, not only in aspects explained in the previous point above but also regarding the environmental problems they face.

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