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1 **Abstract**-Social capital is the potential community resources. Social capital can be a useful so effectively in a mutual institutions. Social capital is in some local institutions involved in gambir market. This study to see its function social capital in institutional gambir market. This research uses qualitative research method. The kind of research used the case study. Research locations in the market gambir, Indonesia. Technical collect the data done with data collection method qualitative (observation, in-depth interviews, group discussions and documentation). Data analysis used descriptive qualitative analysis. The results of the study show three aspects social capital that serves on the gambir market. Three aspects are, cooperation, network norm and sanctions. The aspect of trust serves facilitate cooperation for the sustainability of gambir farming. The aspect of a network serves the transactions, but the network does not function in providing information on the price. The aspect of a norm and sanctions serves in maintaining and set the relationships in the gambir market.

Keywords: function social capital, institutional, gambir market

I. INTRODUCTION

One of the objectives of agricultural development is to increase agricultural production. Increasing agricultural output requires markets for distribution processes. The agricultural market that is formed and continues to develop is the role of agricultural development [1]. Agricultural markets at that developing countries serves to improve the welfare of sustainable. As an example, as markets absorb excess production and stabilize the price. The market also perform a function that is valuable as: the distribution of input and output, the transformation of raw commodities into a product worth added, and the transmission of information and risk. A competitive market help ensure the allocation of resources more efficient so as to maximize the welfare [2;3]. Interaction through a pattern of buying and selling going on the market produces rules and norms new to set the relationships and the action. The market as a economic activities and institutional development influenced by the rules of play, a norm and confidence of an

individual or community to protect the market not to undergo failure [4]. The market that fails often seen in agricultural market, especially in the traditional markets in the countryside, who failed to market caused by a pattern unorganized marketing, farmers lack of knowledge about the marketplace, the price of being indistinct and fluctuating, as well as the absence of cooperation between farmers and institutional [5;6].

The market also experienced the failed to traditional markets gambir in West Sumatra. Gambir market fail and irrational due to the bargaining position of farmers low (market structure monopsoni), prices are not integrated with the price of exports and the market controlled by the merchants. So on, there are still farmers that mixes gambir with other material, so that quality of being inferior. Farmers that mixes gambir allowed gatherers to depress the price [7;8]. Gambir market failed to also caused by access to information a frail (closes), such as lack of information on prices on the international real gambir market [8;9].

See problems gambir market was needed institutional economic analysis. Institutional economic analysis efforts often link to know the ability of society and institutions in the process of mutually beneficial transaction through social capital [10;11]. Social capital resources is an aggregate of actual or potential tied to realize sustainable network so that instituting relation of being mutually beneficial [12].

II. RESEARCH PURPOSES

Identifying the function of social capital in the gambir market. There are three aspects of social capital that will function in the gambier market, that is trust, networks, norms and sanctions. So that, the gambir market can benefit all parties who transact.

III. RESEARCH METHODS

This research was conducted at the gambir market in Lubuak Alai Village in Lima Puluh Kota Regency, West Sumatra Province, Indonesia. The type of research used method of qualitative, with the design of the study of multiple cases, because there are some of the subject of research and the case. The case of learned in research are differences and similarities aspects of social capital owned several local institutions involved in the three traditional markets gambir. Data analysis done is qualitative analysis. The stage of analysis of

data used is the reduction of data, presentation of data, and the withdrawal of conclusion.

IV. RESULTS

Social capital consisting of three aspects which is trust, a network of information and rules that were accompanied by sanctions. Three aspects social capital is involved to encourage social collaboration (coordination and co-op) is for the public interest. These three aspects require a social network within the community to encourage community productivity. Analysis of social capital to see the strength of the network between each institution, so that social capital functions well and benefits all parties [13].

A. Trust .

High internal trust can be seen in customary institutions. Institutional custom is authorized for market management of gambir. Called also with customs institutional (*Kerapatan Adat Nagari/KAN*). As the management of gambir do you give credence to the public (*kamanakan*) to manage market gambir. An officer appointed to collect taxes, an indigenous leader arrange farmers and gatherers do, and to focus on the market. Any tax levied farmers as much as 2 kg, than 100 kilos gambir being weighed. The officers will be posted every gambir being weighed and tax levied. Confidence by the customs officers was based on truth and their discipline.

A form of trustworthiness institutional internal (a leader and members) on traditional markets gambir be basis in cooperation (an action collectively) in economy. The findings Putnam revealed that is considered as social capital trust between members and of the community towards the leader. Social capabilities capital also pointed to the community or certain parts of the community itself [10].

High trust occurs between gathering institutions and farmer institutions. The trust among institutional nearly alike in gambir market. The high place between gathering institutional and institutional farmers. Occurring either between institutions, confidence an individual and the individual, both individual and institutional aspects. This trust has lasted for a long time, the needed each other. Farmers need gathering place for gambir, the amount results gambir needs of the farmer, for resale. A gathering to a peasant farmers, according to the truth as the gambir sold. Meanwhile, based on the trust farmers to the amount it is good scales which are getting along, discount small and smooth repayment.

In addition to the needs of a place selling gambir, farmers also need gatherer (*Toke*) to borrow money to the needs of the production and the family. As a result, farmers are obliged to sell gambir to *Toke* who lend money. *Toke* will cut the price and loan when the farmers sell gambir. *Toke* to believe that farmers and honest discipline for loaned money. Farmers will also believe more pleasure at and *Toke* who want to give loans and slaughter low .

In addition to the factors above, trust between farmers and *Toke* usually affected by the brotherly ties, friendship and the closeness of residence. These factors do not apply, if the deal broken. Farmers will be looking for another intermediary, if agreement is not sufficient. *Toke* also will not give a loan of own family, if farmers are not honest.

Proximity all those in and between institutional development give rise to cooperation which lasted for a long time even of generations. Proximity and cooperation gave rise to a trust in traditional markets gambir. Trust of being interwoven; because the ties that lasted for a long time to get benefits, the sustainability of the eye or the search for as well and continuation economy of local community. The findings Putnam in Northern Italy also shows phenomenon the same that social capital is accumulation a long journey history by the society [10]. Social capital become important, because they are considered able to explain how social relationships there, in economic measures, affecting economic performance a society [14]. Social capital plays a large role in elaborating satisfaction and organisational commitment [16].

B. A network of cooperation.

Gambir market have some institutions involved. Institutions involved in cooperation network gambir transactions of them, farmers, a gatherer of large (*toke gadang*), a gatherer of small (*toke tengah hari*) and gatherers from outside the village. The village administration also regulate transactions between farmers with gatherers on time and the same place in the village market. Management of administration and collection of taxes (*natura*) on the gambir market is managed by KAN.

The arrangement gambir transactions, a gatherer of cooperation between institutions, and the government customary institutional nagari. A strong cooperation network gambir in a transaction, occurring between farmers and gatherers. *Toke gadang* and *Toke tengah hari* in Lubuak Alai most have no relationship. They compete in establish cooperation with a farmer. Cooperation network formed farmers, to get a place selling gambir. A gatherer of cooperation with the farmers will do, that gives a good price. Through cooperation network farmers also get a loan capital to the production and their family needs .

Farmers has a choice of gatherer more, so it can get slightly better prices. Farmers who borrow must sell to gatherers who give loans. Gambir gatherers will immediately set the price to the borrower, along with the piece. Farmers who borrow a typically negotiations are not only able to pay in installments. Not paying the installments actually is detrimental to farmers, as long as borrowing rates and the pieces will be determined by the gatherer. It has also become the gatherer strategies for a long partnership with farmers.

Cooperation network strong going on between the nagari government with the institutional

aspects of the customs in regulating transactions in the gambir. The village administration with customary institutional make village regulations about the place transactions and payment of a tax (*natura*). Leaders customary institutions an assignee of a as the management of kiosks gambir and village. Market leaders customary institutions submit the results of tax collection gambir every month to the village administration. Financial tax revenue from kiosk gambir in the governance fully by the village administration. Money on the outcome of the implementation of taxes gambir farmers be used to aid to farmers that experienced misfortune. Unspent monies taxes has gambir rest is used for the village development.

A network of cooperation which formed last generations, and different according to habit and experience that is experienced. Cooperation network formed to get the price and good advantage, when transacting. A network of cooperation will be stopped if there is cooperation agreement that violated. Farmers will conduct cooperation with gatherers who give good prices. Through a cooperation network of farmers also get the financial capital of the gatherers. Institutional collecting requires institutional cooperation with farmers to get Gambier. Intense competition among fellow gatherers, create gatherers maintain cooperation with farmers with a range of strategies. The strategy that is often made is to provide large loans and long. A big loan and long, causing cooperation and entanglement farmers by a gatherer of increasingly survive. gatherer also will select the farmers who prioritized cooperation to do. Besides with loans, gatherer cooperation done usually through approach, familial, friendship and nearness residence.

Cooperation network that national and foreign, will facilitate transactions and get the information in traditional markets gambir. Good cooperation also facilitate access to capital for farmers, and get gambir for gambir gatherer. Network that more good and large will be easy and cheap in obtaining information. The network is a group of people who have informal values necessary for the transaction in the market [4].

C. The norms and sanctions.

There are common differences and norms and leery of the traditional markets which are in gambir. Some of the local institutions in third markets in gambir and norms which are leery a formal and non-formal, in the transaction.

A norm and sanctions made formally there are on traditional markets gambir in Lubuak Alai. So as not to cause conflict with fellow gatherer or gatherer with the farmers the village administration with the institutional aspects of the customs gatherer and farmers created a rule. The village administration issued village regulations (PERNA). Perna set: a) a place of transaction; b) 1kg tax any 100kg for farmers; c) officials gambir market (KAN).

This regulation has made the healthy competition among gatherers. Farmers who have the loan will be easily known if gambir farmers sell to other gatherers. Taxes from the farmers will be easily managed. Sanctions for breaking the rules that will be set by government nagari with KAN. Farmers and gatherers who does not meet the rules will be hit the payment. Farmers and gatherers who sanctioned the payment of, usually also will be sanctioned due to being social community talks. Socially sanctioned is usually more effective to make a deterrent to violate the rules.

A norm and sanctions having the character of non-formal in cooperation between farmers and gatherers, in institutional gatherers, and in institutional farmer. Rules and an agreement on the basis of trust each other. Traditional markets gambir that has been going on long in both nagari make actors involved understand and have studied habits and honesty fellow them. We will give sanction also shaped informal if someone does not adhere to the cooperation agreement. Absence of the sense of needed each other parties involved keep each other agreements for sport their business.

A norm and sanctions both formal and informal deeply in need by to three traditional markets gambir. The norms and sanctions created as a result of the institutional problems in gambir. The problem, as often happens the dishonesty actors and institutions, while making transactions. Informal norm, informal or process of making more efficient and to maintaining the traditional market in gambir. Sanctions have been imposed that is effective keep a norm that is mutually agreed to in a transaction in the gambir markets.

A norm been institutionalized and containing to prevent individual of socially sanctioned deviant behaviors, of behavior usual in the community. The norms are very important to reduce transaction costs. Without norms and sanction the situation is bad for the market investments and economic growth [15].

V. DISCUSSION

The aspects of social capital function on the gambir market. The aspect of trust serves to facilitate cooperation for gambir farming sustainability. The network aspect functions to facilitate the transaction process, but does not function to provide market information (prices) on the gambir market. Although network with very good intermediary between farmers and has long lasting, but not much information known the price farmers gambir (closed).

Information the price of a little known by farmers, because involving many gatherers. The gatherers a little give information on prices to farmers to attract farmers. The provision of information to farmers the price by gatherers so that farmers feel not rigged. Gambir gatherers who give information on prices at the exporters, more endeared farmers. But information on prices are also not necessarily right, because farmers could not confirm that price, to exporters.

The third aspect of social norms and sanctions which are effective in protecting and regulate relations, it is a little bit loose. This condition occurs in credits for farmers has gatherer. Tougher competition gatherers, make a gatherer of easing sanctions to farmers borrowers. Farmers are delaying payment of loans often left gatherer, because with borrowing still the farmers will continue to deals and sell gambir to the intermediary. This condition sometimes unknown farmers and their very injurious. Farmers would not be able to choose gatherers who provide the best price, besides the farmers who borrow from gatherers also receive price reductions.

The forms of social capital have functions in transactions, cooperation and community relations. Functions of social capital such as a) trust, to facilitate cooperation and efficiency, b) information networks function in providing good information, c) norms and sanctions that effectively function in maintaining and regulating relationships [10;13].

1 VI. CONCLUSION.

There are three aspects of social capital that function on the gambir market, namely cooperation, networking, norms and sanctions. The aspect of trust functions to facilitate cooperation for the sustainability of gambir farming. The network aspect functions to facilitate the transaction process, but does not function in providing market information (prices). The norm and sanction aspects function in maintaining and regulating relations on the gambir market.

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