

# Implementing SDG to Village Level by Integrating Social Capital Theory and Value Chain: (Case of Village Tourism Pentingsari in Yogyakarta, Indonesia)

Roseno Aji Affandi

Aditya Permana

Yanyan Mochamad Yani

Tirta Nugraha Mursitama

Bina Nusantara University, Jakarta

Bina Nusantara University, Jakarta

Padjadjaran University, Jakarta

Bina Nusantara University, Jakarta

## Abstract

*Since the publication of the 2030 blueprint, Sustainable Development Goals (SDGs) have been promoted as a global project. Many steps have been taken; however, until now, the achievement remains limited. This is due to the low understanding of SDGs from stakeholders at the local level, such as the village. This study examines how we can develop SDG awareness and implementation in the village level. This article argues that we need to look at two essential factors namely the notion of social capital and value chain management in order to fulfil SDGs at the local level. Arguably, social capital can be mobilized by the local leaders to socialize the importance of SDGs at the village level. Second, value chain management enables local leaders to manage sustainable economic activities at the village level. Hence, these two concepts eventually enhance the implementation of SDGs at the village level. This argument will be illustrated in the case of three tourism village development areas in Yogyakarta namely, Pentingsari in Sleman, Mangunan in Bantul, and Bleberan in Gunungkidul.*

**Keywords:** *Sustainable Development Goals, Social Capital, Value Chain Management, Community Based Tourism.*

## Introduction

Sustainable Development Goals (SDG) has become part of the global indicator and standard used by UN members in their national development strategy plan. At the national level, SDG indicators have been valued as important

standards for the Government of every State and its stakeholders, as well as industrial entrepreneurs, Multinational Corporation, Small-Medium Enterprises, and Community Leaders to conduct their respective business. The biggest challenge, however, is how to make this agenda

accommodated and implemented within the local values.

How can the leaders at the national level encourage the implementation of SDGs at the village level? This article shows that all resources and commitments to run development under SDG based plan programs can work with rapid and comprehensive acceleration under less than 10 years of remaining towards 2030. It is urgent to be accelerated by the state along with collaborative partnerships between government and stakeholders at all levels. (United Nations, 2018)

The government indeed must invite more public participation such as from industrial background, community leaders, and academics. The government has often functioned as an initiator as well as a regulator in the implementation of the 2030 SDG blueprint. However, the government function must begin to shift and place itself as a facilitator, as well as providing more space for community participation. Participation from the formal and informal community will be the motor of accelerating the implementation of the SDG. The top-down approach will be slightly reduced in portion, and shift to the bottom-up approach. Within this framework, it is noteworthy for us to elaborate on the concept of social capital as the core that linked the other capital, i.e. the cultural capital and environmental capital.

We argue that These social capital, cultural capital and environmental are linked to the concept of three bottom line

as known 3 P planet, people, profit for SDG implementation (Wise, 2015). Our arguments are also supported by Dwyer that he noted "triple bottom line dimensions are the core pillars of sustainability" (Dwyer, 2005).

This capital strength is important to the formation of sustainable community development. However, this abstract concept needs to be translated into more practical and easy steps to implement by all stakeholders. This vacuity then fulfilled by the concept of the value chain. The concept can be mobilized as a method to embrace each member of the community, government, and industry.

Our argument is that agents are the main key as a liaison between the government and industry and society for the creation of an institution capable of forming a synergistic value chain and strengthening among its members. We termed this method as "Sustainable Supply Chain Management" (SSCM).

Our research then aims to integrate social capital theory with strategic management especially value chain analysis to implement the community management with specific tools to reach as much as possible the value of SDG on rural areas. In this study, we focus on the tourism industry, especially the community-based tourism industry with Desa Wisata Pentingsari Sleman, Desa Mangunan Bantul and Bleberan Gunung Kidul (Tourism Village) of Yogyakarta, Indonesia, as our case.

## The Framework

In this section, we aim to develop theoretical framework on social capital and value chain method. This framework arguably captures theories, fieldwork, and experiences. The framework is for shaping the model. The model can be used to implement SDG pillars to all levels of governance.

The framework and model have been implemented to specific fields on the Village Tourism Pentingsari, Mangunan and Blebersari Yogyakarta under their social, environmental and cultural potential and challenges. Pentingsari is a good example of how social empowerment starts from the power of leadership. Mangunan is a good example of how cultural capital is the key success to develop their tourism destination development. Blebersari is a good case of how to use their environmental capital to create Village Tourism. All of them is in the same territory as Yogyakarta. It takes only about 3-4 hours to reach all of them.

The reason we are using those as our study case is that their process of implementing community-based economy is very interesting become a model for other sustainable community development (Sudjatmiko, 2014). In addition, Pentingsari *“won the Indonesian Sustainable Tourism Award 2017 for the green bronze category”* (The Jakarta Post, 2017).

The research framework can be seen in Figure no 1, and the model can be seen in Figure no 2.

## Research Framework:

Figure 1. Research framework



Source: Authors

As mentioned earlier, we are promoting three main variables for implementing sustainable development to the village level, Social Capital, Cultural Capital and Environment Capital. Those three variables must comply with the basics of SDG, which are called three bottom lines: People, Planet and Profit. The strategy is to shape the SDG implementation. We use the value chain approach which is based on institutional development and business development. We argue that three steps from the triple bottom line, three basic capitals, and the value chain are the fundamental framework to implement the SDG.

Social capital is generally defined as efforts carried out by civil society on a voluntary basis, outside of their relations with the government or the market (Kumar, 1993). The concept of social capital was popularized by James Coleman (1988) and immediately attracted the attention of academics as a field of study that continued to evolve as well as the basis for the preparation of new policies in an atmosphere that was pro-market economy from the 1990s. Social capital conception gives economics an insight into the combination of individual,

institutional, and other networks by incorporating (inter)-subjective, emotive, and affective elements, which are often excluded by the discipline of Economy that view humans as rational individuals acting instrumental and driven by incentives (Fafchamps, n.d). However, the biggest academic contribution of social capital is facilitating the exchange of ideas across disciplines.

The general definition of social capital is centered on social relations, which include elements of social networking, civic engagement, norms of reciprocity, and especially important concepts of trust. In this light, social capital is founded on shared norms, values, beliefs, trusts, networks, social relations, and institutions that facilitate cooperation and collective action for mutual benefits (Bhandari & Yasunobu, 2009; Fukuyama, 2001). However, every scholar has an emphasis on this general notion. For example, three major scholars of social capital whose works are often cited such as Bourdieu emphasizes social capital to “the aggregate of actual resources that are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu, 1986), whereas Coleman defines it functionalistically as “a variety of entities with two elements in common: they are composed of various social structures, and they facilitate certain actors within the structure” (Coleman, 1988). Meanwhile, Putnam defines it as “a social network established by associational engagement such as voluntary organizations and

generated reciprocal norms and trust between citizens by such engagement” (Putnam, 2000).

Despite the emphasize in individuality of collective traits, it is clear that social capital is a phenomenon that arises in the context of free-market economic society, albeit their conceptual closeness and resemblance with traditional community traits (Fukuyama, 2000; Fukuyama, 2001). In this type of society, the economic function of social capital is to reduce transaction costs caused by formal coordination mechanisms such as contracts, hierarchies, and bureaucratic rules (Fukuyama, 2000).

Given this discussion, social capital is very relevant as a solution to Weberian functionalists’ predictions that modernization will replace traditional systems and institutions with a formal bureaucratic system. But recently, empirical research shows that informal norms are still very important and relevant in the present days, where modernization of technology sometimes makes a subordinate more aware of things that are technical in the field than their superiors/supervisors. This simple illustration gives us example on how social capital has a great opportunity to cut off long-term and convoluted bureaucratic decision-making inefficiency and has the potential to cut project costs, facilitate the process of approaching with partners, increasing sustainability, and strengthening civil society (Fukuyama, 2001).

However, social capital is also very closely related to the idea of development, even expanding the notion of development to things that are not solely economic. Development is a complex multidimensional process involving major changes in social structures, behaviors, and national institutions, as well as the acceleration of economic growth, reduction of poverty, narrowing of equity, and improvement in the quality of life (Todaro, 1999). Economic variables are indeed a prominent driving force of development, but the frontier of development transcends beyond income per capita. Socio-cultural value systems help shape the economic, social, and political behavior and affect development through multiple indirect channels (Bhandari & Yasunobu, 2009). In this context, development as a process involves government intervention within certain limits to create conditions that allow social capital to work. These conditions can be created through a combination of approaches that are bottom-up and top-down. The top-down approach, namely the government providing incentives to economic actors, intervening in creating media to open the door for community participation, building local community-based institutions, increasing budgets for capacity building for both institutions and individuals, providing assistance by inviting agents such as from NGOs or universities. The government has a role in fostering and nurturing the growth of social capital (Fafchamps, n.d). The interference of the government is significant as a facilitator of the creation of

a collaborative economy and avoids the occurrence of potential competitions that kill each other.

Social capital links to civil engagement, which is an important element in the bottom-up approach. The importance stems from the ability of social capital to maintain the authenticity of local norms. The social capital thus could be mobilized to create new social forms. Through this social capital-based model, the economic activities within the village can be integrated in order to increase the economic competitive advantage.

To further enhance social capital, the local governments' support through regulation is needed. This is because sometimes individual within societies lack of incentives to band together in their economic activities. The reason for this due to the lack of knowledge, experiences, financial capital that make the individuals in the villages little incentive to cooperate. Hence, the government plays a role to form the model (Higgins-Desbiolles, 2011).

This model then emphasizes the importance of relations between government and community. This is because, arguably civil engagement may grow in such a condition where government and civilians create the opportunity to synergize in order to build the model.

In this model, after social capital being formed, the next stage is to utilize cultural capital. The importance of cultural capital as argued by Fukuyama

lies in the idea that “societies in which people are accustomed to cooperating and working together in large groups are likely to develop strong and efficient state institutions.” Furthermore, culture is an essential element in the formation of trust and cooperation. To strengthen this cooperation, the emergence of an agency plays an important role as a medium for such a task.

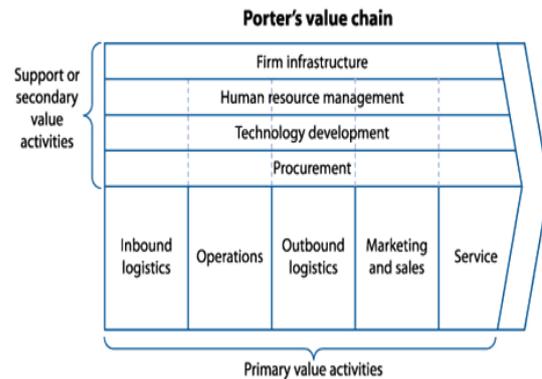
The above discussion focuses in understanding social capital in abstract way. In order to further implement the social capital model, this article utilizes value chain method.

The term value chain is coined by Michael Porter (1985) in his book entitled “Competitive Advantage”. His elaboration of his theory explained by de Mozota as follows,

*“Every firm (institution) is a collection of activities that are performed to design, produce, market, deliver, and support its product. A reflection of its history, its strategy, its approach to implementing its strategy, and the underlying economics of the activities themselves.”* (Mozota, 1998)

In principle, the Value chain consists of two parts, namely Supporting Activities, and Primary Activities as illustrated in the image as figure 2:

**Figure 2. Value chain**



Source: (Porter, 1985)

First part is Support Activities. The firm infrastructure is the umbrella for the institution. Its function is to form the agreement among members. The concept, values and legal matters are the basic methods to transform from informal to formalize the communities. This part is structuring the mind map of the communities from every member such as how to manage the monetary flows, providing materials, cash management, how much investment, How the organization mechanism etc. This part we can illustrate as the head of the human body. Transforming every interest of the member's needs, wish and hope into the collective purpose. It requires high participation for each member.

The second part of value chain is primary activities. The primary activities are processed to transform the raw material into production and deliver it to the customer until the customer makes the payment. Including product design, services design, packaging and marketing design (Porter, 1985). In context tourism,

the activities on this part are starting from developing tourism products such as destination, homestay, attractions and tour guide persons. The first things first to be done after those job descriptions and basic infrastructure have been done are 1. inviting the visitors, 2. picking up, 3. service them with activities such as art, cultural and rural events, 4. service them with home stay, 5. selling the souvenir and the last send the customer back to the airport. This part is the place for the distribution economy based on the capabilities of every member and the potential demand from customers. The agent must be clever enough to distribute economic capabilities to every member. Who will provide the raw material, who will provide homestay, who will act as tour guide and who will pick up visitors.

The reason why value chain method is helpful in implementation of social capital model is due to several reasons. First, it enables to divide individuals within groups according to their competencies such as knowledge, experience, and financial capital. Second, value chain method facilitates the coordination of each individuals to complement each other.

### **The analysis of the case studies**

Having established the theoretical framework above, this section aims to examine the implementation of the model within three case studies. Before we went for a research fieldwork, we conducted a library review through various relevant academic journals, books, news and seminars. Then we proceed with

interviews with pioneers, local leaders, members of the Pentingsari, Mangunan and Blebersari village tourism. This method is very helpful to identify the practices of forming their social capital, knowing their values, how to manage their groups and communities, as well as the positive impacts they get. Our research analysis tool is linking the conception about three capitals (social, cultural and environmental), agency, and value chain analysis from Michael Porter and sustainable tourism approach coined by Bob McKercher.

Our first case is Pentingsari Tourism Village. The village was previously known as one of the poorest hamlets among the villages on the slopes of Mount Merapi with relatively low economic and community income. However, there was a local leader who initiated a program for tourists to stay at their native home with local family members. The leader is Doto Yogopratomo. Doto was starting to develop social capital first instead of the tourism business. His approaches have proven this slightly backward village to be more radiant, both socially and economically, and in turn brought broader trickle-down effects among its community, as reported by the local newspaper

*"Through our tourism villages, we are able to have a tremendous effect on the community, because with tourism villages we will be able to accommodate all the components and improve the economy of the community" (Sudjatmiko, 2014).*

The progress and the uniqueness approach from the stakeholder in Pentingsari called international attention, as reported in The Jakarta Post,

*“World Tourism Organization (UNWTO) has pointed to Pentingsari Tourist Village as one of the pilot projects for Community-based Tourism and Sustainable Tourism Development program. The village also won the Indonesian Sustainable Tourism Award 2017 for the green bronze category” (The Jakarta Post, 2017).*

Therefore, it will be an excellent example of how SSCM can become a feasible combination of the top-down approach and the bottom-up approach to create a sustainable economy for community-based tourism programs in rural area.

Therefore, we chose the formation of the Pentingsari Yogyakarta tourism village community as the case for this research. This is because the village is a real example of how the development of social capital can create positive economic impact. The social capital grows stronger through the emergence of local pioneers who received support and facilities from the local government. These local pioneers become agents that strength the bond between members of communities in the village. With the growth of social capital, it also increases the income of its members in the community.

The Mangunan Village tourism is an example of how Javanese culture creates the chain among social and

individuals in their tourism destination. During our visit to the Mangunan Village, we were accompanied by Fahlul Mukti as tour manager to meet with several village tourism pioneers. I met with Pak Hardi as the head of Watu Goyang. Watu Goyang is a rock that can sway located on the hill of the village of Mangunan Bantul, Yogyakarta. According to local history and stories, this place was one of the five other sites before Sultan Agung (the greatest Islamic Mataram King) determined the burial place of the kings of Islamic Mataram, now known as Imogiri. And all five places were scattered in several areas of Mangunan Village.

During our fieldwork, one of the homestays is operated with the traditional Master puppet families. The Father is also the *abdi dalem* (traditional servant) of the Yogyakarta Kingdom, the mother is *sinden* (traditional singer). So, every visitor to the burial kings of Imogiri, will get both a package of historical stories about Sultan Agung and the magical and spiritual culture and nature of Java. Another family focuses on providing craft for souvenirs and Fahlul itself acting as Village Tourism Tour Guide. The social capital based on culture has formed the economic activities chain among tourism village players on Mangunan Village.

However, the individualistic economic tendencies of this approach are still relatively high, especially from existing industries or individualists whose economic ego is eminent. Thus, the self-interested and individualistic side of classical capitalism (what Schumpeter

called “methodological individualism”) is still the biggest challenge in this model.

In Pentingsari Village Tourism, there are still domestic political problems about Doto's hegemony itself. While Doto is a local leader, at the same time, he acts as the system itself in the group. There is no system to prevent if Doto cannot perform its function due to his age. Some members still don't have enough alternatives to support the group when Doto can't do it anymore.

After significant socio-economic growth and development in the Pentingsari Tourism Village, Doto as a leader must begin to manage the village economic activities in a more structured manner. For the sake of the sustainability of the organization and business of the Pentingsari tourism village, regeneration is needed. In modern organizations, one of the keys to success in creating sustainability is regeneration. Doto's success will be an example of the next generation if Doto can prepare his successor to guarantee the principles of community-based business by strengthening social, cultural and environmental capital as Doto has done.

In Mangunan there are also cultural constraints. Seniority tends to make organizations less creative and cannot accelerate the younger generation to express their ideas, especially in the context of commercial problems. Senior people who cannot use digital instruments to adapt to the contemporary business environment, such as optimizing digital, to promote and coordinate business

processes. The gap between the senior and young generation is one of the biggest challenges in Mangunan Village Tourism. Culturally in Java, the younger generation is not comfortable speaking frankly with seniors. Seniority behavior is one of the communication gaps in the organization. That caused some of the talents of the younger generation to work outside the community. Then it became a new competition between them. Then, it became a situation in the village-based village tourism far from the principle of the social capital chain. Instead of complementing and synergistic, they create new competition.

To avoid increasingly sharp competition and to strengthen groups, the main function of agents is to create synergies between existing industries and social capital groups, while strengthening social capital institutions to strengthen group members. Thus, the demands of an agency are those that come from third parties outside the government and outside the community members. In its main competency, agents must be able to create bridges that connect each other so that a synergic work chain is created. As theorized by Partzsch (2017), “... for the non-state and non-collective agency... non-state and non-collective agency... I suggest three categories of individual agents, increasingly relevant to global governance: Celebrities, philanthropists and social entrepreneurs' ' (Partzsch, 2017). Here she emphasizes that one group of agent acts as “inventors of new ideas, norms, or products.” Partzsch sees it as the first phase of a life cycle, as

theorized by Sikkink & Finnemore (1998). The next phase is norm cascading, which makes a new norm of entrepreneurship widely spread (Finnemore & Sikkink, 1998). Followed by the next phase i.e. the institutionalization of entrepreneurship, norms are the role to reorganize and choose the best options for implementing the new norm. The last phase is the policy of entrepreneurs who play institutional arrangements and leverage to create new institutions that replace the old (Partszch, 2017).

*“social capital research as it pertains to economic development and identify four distinct approaches the research has taken: communitarian, networks, institutional, and synergy” (Woolcock, Michael, Narayan, & Deepa, 2005.*

The best example of the paragraph explanation above is from the village of Blebesari Gunungkidul with Mr. Tri Hajono as the leader. Incidentally Mr. Tri is the leader of the Yogyakarta tourism village communication forum. Compared to the example from Pentingsari and Mangunan, Blebesari is more modern in determining its social economic chain management. He used the village government apparatus to create his socioeconomic chain. Pak Tri is a former village head who has led for 18 years. While he was still in the lead, there was a major problem of the village which was the provision of clean water. Assisted by the Gajah Mada University Community Empowerment Agency, in 2003 received assistance from the Ministry of Public Development in the form of water pipes.

After The public water services became a village-owned enterprise running for about 8 years. The village's own enterprise creates some business units. One of them is Village Tourism. The experience as former Village government leader, Pak Tri has more experience of networking with university and government without eliminating the bottom up approach.

Based on the three cases above, we can see that an approach that uses a combination of formal and informal, seniority and structural, bottom up and top down, state and cultural is a suitable formulation for the development of socioeconomic chains.

The approach to the distribution of work functions, in a series of value chain systems is the key to the formation of synergistic, complementary cooperation and avoiding competition among members.

This approach needs not be carried out separately. Thus, we need to model it into a more operational framework while continuing previous study carried out by Xavier Font, Richard Tapper, Karen Schwartz and Marianna Kornilaki from Leeds Metropolitan University (WOTU Bank Research Observer, 2000, pp. 225-49). Using companies engaged in tour operator services as case studies, their study entitled “Sustainable Supply Chain Management in Tourism”, focuses more on environmental issues within tourism business (Font, 2000). As travel organizer services providers, they consider tourist destinations as vendors who are encouraged to provide environmentally

friendly tourism, food and equipment. This approach indeed inspired our study, but we emphasize more on how to build community-based tourist destinations.

We expand previous research by deepening and trying to build the possibility of synergy between Travel and Tourists Corporations who already have an awareness of sustainable tourism with a village tourism which is based on community development. Within this limitation, we argue that (1) if there is a synergistic relationship between industry and rural tourism communities, a sustainable tourism environment will be achieved; and (2) if sustainable tourism is created in one area, it will accelerate the process of implementing the SDG to reach rural areas.

It is also important to note that monitoring the progress achieved and reports on the improved environmental performance by both companies and their suppliers by awards and recognition that acknowledge the supplier's involvement in the environmental concerns.

*"environmental achievement is also crucial (NEETF, 2001) National Environmental Education and Training Foundation (NEETF). 2001. Going Green Upstream ... the Promise of Supplier Environmental Management. NEETF: Washington, DC. Additionally, companies may also organize supplier meetings, in which useful information can be exchanged and companies' expectations can be communicated. Following this pattern, integrate environmental concerns into all*

*business processes (Lippmann, 1999)*

*Lippmann S. 1999. Supply chain environmental management: elements for success. Environmental Management 6(2): 175-182."*

To facilitate community participation in the village tourism, the Ministry of Tourism is collecting the tourism activist called "Pokdarwis". Pokdarwis is an acronym from "*kelompok sadar wisata* (tourism activist group). The government provides and facilitates the community with training and capacity building

*"Efforts to strengthen and increase capacity, roles and community initiative as one of the stakeholder's interests, to be able to participate and play an active role as a subject or actor or as a recipient benefits in developing tourism sustainable ". (Directorate of Strategic Planning, 2019)*

The agent has to be well understood about the value chain and can be acting as moderator to motivate every member of the communities to involve to form the institutions. The agent has to be able design the institution development and also business plan. The circle to develop Pokdarwis will be among Government-Community-Business. To enhance Pokdarwis' capacity in Pentingsari Village tourism, some business sector from certain industry such as Asia Central Bank (BCA) support them through their Corporate Social Responsibility (CSR) program. Their programs mainly involve design training such communication skill, team building, service excellence and also

donate 109 million rupiah (Nugraha, 2015). The training aim also facilitate local community development more specific in-home stay management to reach international standard without eliminating the local values (CNN Indonesia, 2017).

Doto as leader said that the trainings provided by the Government and BCA have indeed increase their member's understanding on sustainability of their economic activities. This, in return, has an effect to their community financially. For instance, in 2008 the turnover of the economic activities in Pentingsari Village was 30 million rupiah. But after development and training by supporting from the government, the following year the turnover increased to 250 million rupiah. In 2011 to 2014 the turnover from Pentingsari jumped sharply to Rp. 1 billion per year or approximately Rp. 100 million per month after having supervising and development from BCA.

BCA continues to supervise Pentingsari on 2015-2017 and the result turnover reaches Rp 2.5 billion per year or around 200 million rupiah per month. Those performances provide about 55 units or 150 rooms and consist of 1255 heads of households. The community development is really making a good impact on the people relations to their environment, culture and people to people relations. Pentingsari Tourism Village was appointed as one of the pilot projects of the Community Based Tourism and Sustainable Tourism Development

Program by the world tourism organization UNWTO (Aprilyani, 2017).

In these three case studies of Pentingsari, Mangunan and Bleberan Village Tourism, we also observe how the villages create a tourism product that incorporate farming activities along with its natural uniques. Travelers who came to these villages will experience not only as a guest but also an active participant of the farmers who can feel the real life of the village community.

Given this arrangement, the village community were given different type of tasks. For instance, some members are responsible for the homestay, others are responsible to provide meals, while some are responsible to perform cultural activities ranging from entertainment to game playing in rice fields. So, each member of the community has a role in this type of tourism areas.

During our fieldwork, Doto, Fahlul and Tri told us that the above arrangement shows that indeed distribution of roles create individual incomes for the member of community. This in return enhance local trust and solidity. As leaders, they are willing to sacrifice their portion of roles as long as the community having bigger benefit from such arrangement.

In his words, Doto told us

*“in every arrangement, each member of the community who perform their roles will instantly get the income from their respective roles. For instance, if the member is the one*

*who provide the homestay with the price of Rp. 100,000 per night, he will get instantly Rp. 90,000. The other Rp. 10,000 will be put into community saving. This 10% contribution will be reinvested to cover operational cost for the community such as common infrastructure and maintenance in the village. If there is money left, it will be used as a bonus for every member of the community after deducted with all expenses at the end of period once a year."*

### **Conclusion**

Based on the empirical analysis above, there are some insights that can be used by others in their pursuit of social capital.

In order to create a sustainable development-based community, fundamentally, the stakeholders should maximize the local potentials from their culture and environment. In order to maximize these potentials, the stakeholders must create a social bond among the community members. In this stage, the social capital is needed in order to engage each member of communities to take part of the economic activities.

While the social capital is indeed important. The next step is to translate this concept into practice. One way of doing this is by using value chain method. Value chain method helps the community to distribute the roles within arrangement to each member of community. Thus, in this community, the system will run as if the community is one single cooperation.

As a result, the integration of social capital theory and value chain method will ensure the sustainability of the community.

Based on the above the analyses of the case studies, it turns out that the theory of social capital combined with a management strategy approach with value chain tools has been able to produce sustainable community development. So that the implementation of SDG as a global value was able to be implemented up to the village level. The sustainable development community is the basic understanding for each stakeholder to implement the SDG. Thus, the SDG implementation for village level can be started from the integration among social capital theory and value chain method.

Supporting Activities on Value chain has proved that social capital, cultural capital and environment capital has been designed and agreed among members. They use those capitals as product differentiation, in the context of institution development. Supporting activities deepening the members to agree that every transaction will be deducted 10% as community saving. The kind of arrangement is the most democratic, inclusive, transparent and flexible according to members aspirations. Thus, supporting activities can be used to form the social capital of the key success of Pentingsari, Mangunan and Bleberan village tourism. Moreover, the primary activities proved that distribution activities from inviting visitors, entertain with local art, culture, farming event,

home stay, culinary, selling the souvenir make them more synergize instead of competing with each other.

At the end of the day, this model can only be successful with the existence of good cooperation between the government-business and the community that put the social, cultural and environmental capital as the principle. The government functions as a facilitator. The business is anchor or foster father. And the community is the executor. The academic sector provides research and community development center. Those actors are the most important actors to implement the SDG to the micro level of village community

#### About the Author

Roseno Aji Affandi, Humanity Faculty International Relations Department, Bina Nusantara University.

Aditya Permana, Humanity Faculty International Relations Department, Bina Nusantara University.

Yanyan Mochamad Yani, International Relations Department, Padjadjaran University

Tirta Nugraha Mursitama, Humanity Faculty International Relations Department, Bina Nusantara University.

#### References

Aprilyani, J. (2017, December 10). Retrieved June 2019, from lifestyle.kontan.co.id: <https://lifestyle.kontan.co.id/news/>

[desa-pentingsari-percontohan-wisata-berkelanjutan](#)

Bhandari, H., & Yasunobu, K. (2009). What is Social Capital? A Comprehensive Review of the Concept. *Asian Journal of Social Science* 37, 480–510.

Bourdieu, P., & Richardson, J. G. (1986). Handbook of Theory and Research for the Sociology of Education. *The forms of capital*, 241-258.

CNN Indonesia. (2017, September 6). *Yogyakarta Siapkan Desa Pentingsari Jadi Wisata Unggulan*. Retrieved June 2019, from CNN Indonesia: <https://www.cnnindonesia.com/ga-ya-hidup/20170906134612-307-239805/yogyakarta-siapkan-desa-pentingsari-jadi-wisata-unggulan>

Coleman, J. S. (1988). Social capital in the creation of human capital. *American journal of sociology*, 94, S95-S120.

Directorate of Strategic Planning. (2019). Directorate of Strategic Planning, Community Empowerment. Retrieved June 2019, from kemenpar.go.id: [http://www.kemenpar.go.id/userfiles/1\\_%20Pedoman%20Pokdarwis.pdf](http://www.kemenpar.go.id/userfiles/1_%20Pedoman%20Pokdarwis.pdf)

Dwyer, L. (2005). Relevance of the triple bottom line for sustainable tourism: A scoping study. *Tourism Review International*, 9, 79–93.

- Fafchamps, M. (n.d). Development and Social Capital. Global Poverty Research Group Working Paper Series 007, 1-35.
- Finnemore, M., & Sikkink, K. (1998). International norm dynamics and political change. *International organization*, 52(4), 887-917.
- Font, X., Tapper, R., Schwartz, K., & Kornilaki, M. (2000). Leeds Metropolitan University, UK The WOTU Bank Research Observer, 15(2), 225-49.
- Fukuyama, F. (2000, April). Social Capital and Civil Society. IMF Working Paper/00/74. International Monetary Fund.
- Fukuyama, F. (2001). Social capital, civil society and development. *Third World Quarterly*, 22(1), 7– 20.
- Higgins-Desbiolles. (2011). Resisting the hegemony of the market: Reclaiming social capacities of tourism. In L. M. S.McCabe, *Social tourism in Europe: Theory and practice* (p. 5). Bristol: Channel View Publications.
- Kumar, K. (1993). Civil Society: An Inquiry into the Usefulness of an Historical Term. *The British Journal of Sociology*, 44(3), 375-395.
- Lippmann, S. (1999). Supply chain environmental management: elements for success. *Environmental Management*, 6(2), 175–182.
- McKercher, B. (2003). Sustainable Tourism Development - Guiding Principles for Planning and Management. *The National Seminar on Sustainable Tourism Development*. Bishkek.
- Mozota, B. B. (1998). Structuring Strategic Design Management: Michael Porter's Value Chain. *Design Management Journal*, 26-31.
- Nugraha, S. W. (2015, December 11). BCA Kucurkan Rp 109 Juta untuk Desa Wisata Pentingsari. Retrieved from Tribun Jogja: <https://jogja.tribunnews.com/2015/12/11/bca-kucurkan-rp109-juta-untuk-desa-wisata-penting-sari>
- Partzsch, L. (September 2016). Powerful Individuals in a Globalized World, *Global Policy* 8(1). Retrieved from <https://www.globalpolicyjournal.com/articles/global-governance/powerful-individuals-globalized-world>
- Porter, M. (1985). *Competitive Advantage*. New York: Free Press/Collier.
- Putnam, R. D. (2000). *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster.
- Sudjatmiko, T. (2014, September 24). Pentingsari Dari Daerah Miskin Menjadi Desa Wisata Andalan Jogjakarta, Indonesia. Retrieved from <https://krjogja.com/web/news/read/78391/Pentingsari-Dari-Daerah>

[Miskin Menjadi Desa Wisata An  
dalam DIY](#)

The Jakarta Post. (2017, December 4). Thousands flock to Pentingsari Tourist Village in Sleman. Jakarta, Jakarta, Indonesia. Retrieved from <https://www.thejakartapost.com/travel/2017/12/04/thousands-flock-to-pentingsari-tourist-village-in-sleman.html>

Todaro, M. (1999). *Economics Development in the Third World*. New York: Longman Inc.

United Nations. (2018). *The Sustainable Development Goals Report 2018*. Retrieved from [unstats.un.org: https://unstats.un.org/sdgs/files/report/2018/TheSustainableDevelopmentGoalsReport2018-EN.pdf](https://unstats.un.org/sdgs/files/report/2018/TheSustainableDevelopmentGoalsReport2018-EN.pdf)

Wise, N. (2016). Outlining triple bottom line contexts in urban tourism regeneration. *Cities*, 53, 30-34.

Woolcock, M., & Narayan, D. (2000). Social capital: Implications for development theory, research, and policy. *The world bank research observer*, 15(2), 225-249. Retrieved from <http://documents.worldbank.org/curated/en/961231468336675195/Social-capital-implications-for-development-theory-research-and-policy>