

COMMUNITY EMPOWERMENT BASED ON LOCAL WISDOM TO BECOME SOCIAL CAPITAL IN SUSTAINABLE DEVELOPMENT

DIAH GAYATRI ^{1*}, TARSISIUS MURWADJI ², VERONICA KOMALAWATI ³, ETTY MULYATI ⁴

¹ Doctoral Program, Faculty of Law, Universitas Padjadjaran, Indonesia

^{2,4} Lecturer of Faculty of Law, Department of Economic Law, Universitas Padjadjaran, Indonesia

³ Lecturer of Faculty of Law, Department of Civil Law, Faculty of Law, Universitas Padjadjaran, Indonesia

ABSTRACT

Poverty remains a serious challenge in developing countries, requiring a holistic and sustainable approach. This article describes the concept of community empowerment as the core of comprehensive development. This empowerment involves strengthening the capacity of communities through education, knowledge, and skills, enabling them to be independent and not completely dependent on the government to create jobs. Local wisdom is an important factor in this approach, considering that each community has unique characteristics that require tailored solutions. As an alternative, the concept of human resource-based and environmental development emphasizes the sustainable use of material and environmental resources nonmaterial. South Korea is a successful example of this approach, although challenges remain in achieving ecological targets that integrate economic, social and cultural aspects. The fundamental difference lies in who leads these efforts. The government usually initiates the community development approach, while community empowerment comes from within the community with government support. A "bottom-up" approach with the principles of enabling, empowering and protecting is the key to achieving sustainable empowerment. This article also highlights the importance of local wisdom in sustainable development, which includes ecological, social and economic aspects. Thus, this article attempts to link the success of community-based development with the achievement of ecological targets, with community empowerment as a key element that needs further analysis. In conclusion, to tackle poverty sustainably, we need to understand and apply these principles in our respective local contexts.

Keywords: Local Wisdom; Community Empowerment; Sustainable Development Goals; Sustainable Development Programs; People-Centered Development; Social Capital; Poverty.

INTRODUCTION

Development is a complex process and continues to develop over time. In the 1980s, the world witnessed a development paradigm that focused on equitable economic growth and equality. This paradigm emphasizes the importance of the economy as the center of development, with the aim of achieving prosperity for the entire community. However, behind efforts to increase economic growth, various unexpected problems have also emerged, especially those related to environmental damage. In historical records, that period was marked by the agrarian crisis, ecological crisis and rural crisis, which were the bad results of development that focused on the economic dimension. These crises show that focusing only on economic growth without considering environmental and social aspects can lead to detrimental consequences for society and the environment. Gjoksi (2010) stated that although the national environmental strategy is quite modern in understanding the principles of sustainability, in general, it is still weak in understanding its relationship with the social and economic dimensions of sustainable development. Likewise, the National Poverty Reduction Strategy (SNPK) considers social and economic aspects but generally does not pay much attention to environmental aspects (Breuer, Leininger, Weed Tosun, 2023).

The main factor influencing changes in the development paradigm is increasingly progressive globalization and privatization. Globalization opens up access to global markets, while privatization reduces the role of government. This changes the role of humans in development, making them more guided by global dynamics and private interests.



However, there is growing awareness of the importance of balance between economic, social and environmental issues in development. Attention to environmental damage has increased, and sustainable development has become a popular topic. This concept emphasizes economic, social and environmental integration in development to achieve a better balance for the environment and community welfare.

One approach that emerged as a response to awareness of the importance of sustainable development is the People Centre Development (PCD). Community development through an empowerment approach is people-centered development (Sulasih, Suroso, Novandari, & Suliyanto, 2022). The philosophy of People Centered Development (PCD) is a set of rigid and scientific systems of ideology and theory (Ying, W, 2021).

PCD emphasizes community participation and empowerment in development. Even though there is awareness about sustainable development, economic growth still dominates development policy. Social problems such as poverty have not been a major focus, and development projects tend to be top-down and centralized, which maintains community dependency.

In recent problems, social problems such as poverty, the existence of minority groups, and increasing needs will attract a lot of attention because they can be the cause of a lack of stability, which manifests negatively as social unrest and can erode relations between groups. (Irfan, A., 2023).

Technological developments and human consumption increase environmental impacts, especially climate change, due to greenhouse gas emissions. Countries dependent on fossil energy face complex environmental problems, especially if regulations need to be stronger. This challenge requires holistic and sustainable solutions. The integration of PCD and the concept of sustainable development is very important. Traditional knowledge, both local and international, is recognized as a valuable social resource in community-centered development. By combining local wisdom, communities can manage natural resources wisely and maintain economic, social and environmental balance. The participatory approach through PCD allows the community to contribute to development decision-making so that the solutions produced are more in line with their needs and aspirations.

Rural areas play an important role in efforts to realize balanced regional development, so an analysis of the components and/or factors that contribute to sustainable development is needed (Roldan, Giraldo, & Santana, 2023).

To address rural decline, countries have adopted various measures under sustainable development guidelines proposed by the United Nations, such as encouraging sustainable growth in agriculture (Hoang et al., 2020). In evaluating sustainable development, it is necessary to develop an appropriate evaluation index system, which is an important task that can help policymakers work more efficiently (Li et al., 2021; Miao et al., 2022a; Nilashi et al., 2019; Wang et al., 2022a; ., 2019).

However, in implementing sustainable development efforts, it is necessary to have accurate and comprehensive evaluation tools to measure the impact and progress achieved. Therefore, the development of an appropriate evaluation index system is an urgent need. This evaluation index aims to provide objective guidance for policymakers in assessing the effectiveness of sustainable development measures that have been implemented.

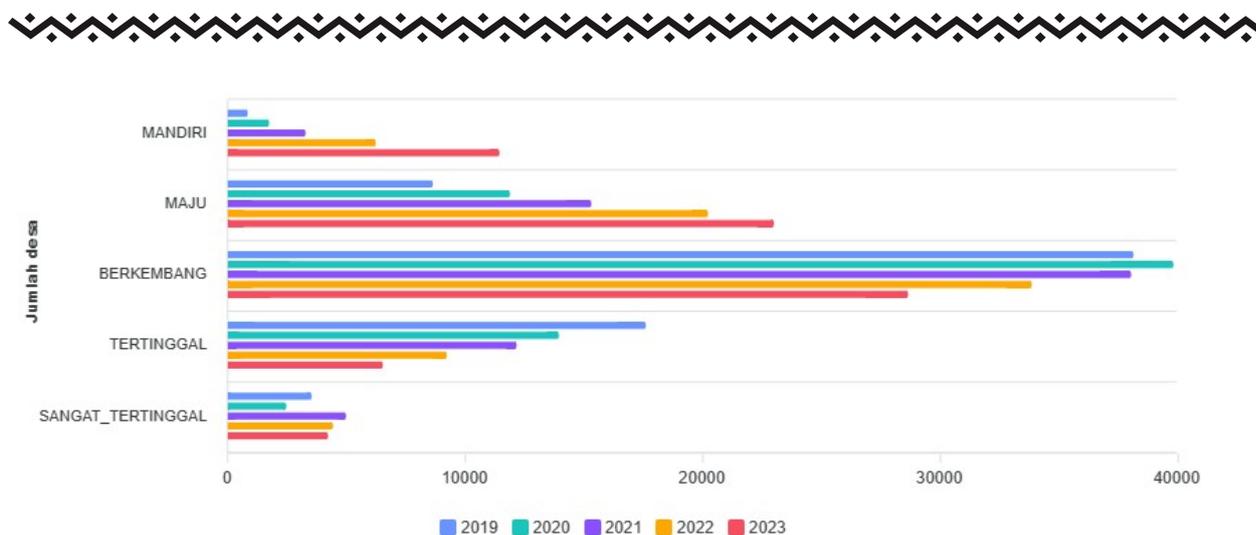


Figure 1. Status of the Developing Village Index for 2019-2023
 Source: Developing Village Index, 2023 (<https://idm.kemendes.go.id/>)

Social capital is also a major driver of human and economic development. The existence of social capital triggered by local policies and community involvement in the village plays an important role in initiating economic activities and shaping happiness among village residents. Networks run by Village-Owned Enterprises (BUMDes) are a concrete example of the application of social capital on a local scale to achieve independence and improve the standard of living of village communities. Barbel et al. (2021) stated that the rural environment has economic and structural characteristics that provide opportunities for entrepreneurs that can strengthen the development of entrepreneurial networks and regional transformation (del Olmo-García, Domínguez-Fabián, Crecente-Romero, & del Val- Núñez, 2023).

Development as a process of achieving sustainable output requires various inputs, one of which is natural resources. The presence of sustainable natural resources is crucial for achieving sustainable development. This is a form of justice for future generations so that they can also enjoy natural resources without significant decline or damage. However, in practice, developing economic growth is only sometimes in line with the principles of sustainable development.

In a development paradigm that emphasizes economic growth, several negative impacts also emerge, such as increasing environmental damage, critical land, and environmental degradation. Unsustainable land use causes the loss of its function as a water retainer, which in turn contributes to erosion and carbon retention (Ministry of Environment and Forestry, 2011). The agrarian crisis, ecological crisis and rural crisis have become disasters that have occurred in various regions. This situation produces an interesting paradox, where efforts to improve economic conditions can result in the loss of valuable assets, known as "progressive globalization", and result in environmental damage and social problems.

The importance of measuring the level of development also involves the social dimension, which includes the level of poverty and the Gini ratio as indicators of income gaps resulting from uneven development. This was stated by Bor, Cohen & Galea, (2015); Pickett & Wilkinson, (2015) in Elgar, Stefaniak, & Wohl (2020). that Income inequality determines social stratification in health and mortality. This high level of inequality can create opportunities for conflict and more complex social problems to arise. UNESCO states that: "There is no more powerful transformative force than education - to promote human rights and dignity, to eradicate poverty and deepen sustainability" (Robinson-Pant, 2023). This statement has deep relevance to the development conditions in Indonesia. Even though this country has experienced significant economic growth, in reality, the level of equality and sustainability of development still experiences significant inequality between urban and rural areas, as well as between various regions in Indonesia.

Table 1. Recap of the Status of Provinces, Regencies/Cities, Districts and Villages in Indonesia in 2023

Status Classification	Amount			
	Province	Regency	Sub district	Village
Independent	2	39	731	11,450
Advanced	16	182	2.533	23.044
Develop	13	158	2.196	28.749
Left behind	2	36	635	7.171
Very Left Behind	3	19	459	4.847
Total	36	434	6.554	75.261

Source: Ministry of Villages, Development of Disadvantaged Regions and Transmigration, 2023

Overall, there are 11,450 villages included in the Mandiri classification, with details in 731 sub-districts, 39 districts and 2 provinces. There are 16 regions with 182 districts, 2,533 sub-districts, with 23,044 villages in the advanced category. Meanwhile, the classification with Developing status is in 13 regions, with 158 districts, 2,196 sub-districts and 28,749 villages in the developing classification.

Furthermore, there are 7,171 villages included in the Disadvantaged classification, with details of villages located in 2 provinces, spread across 36 districts and located in 635 sub-districts. Meanwhile, in the Very Disadvantaged classification, there are 4,847 villages located in 3 provinces with 19 districts and 459 sub-districts. This data provides a clear picture of the distribution of regional development status at various administrative levels, providing information about the distribution of regional development within the development framework.

Data shows that the social dimension is not a top priority in development. There are significant inequalities between regions, especially those considered underdeveloped. A lack of focus on these areas and minimal investment in education, health and community welfare is reflected in the data. The classification tends to be more economic than social. The high level of poverty in several regions shows the lack of efforts to eradicate poverty and social empowerment. Further analysis is needed to understand why the social dimension has yet to become the main focus of development in various regions.

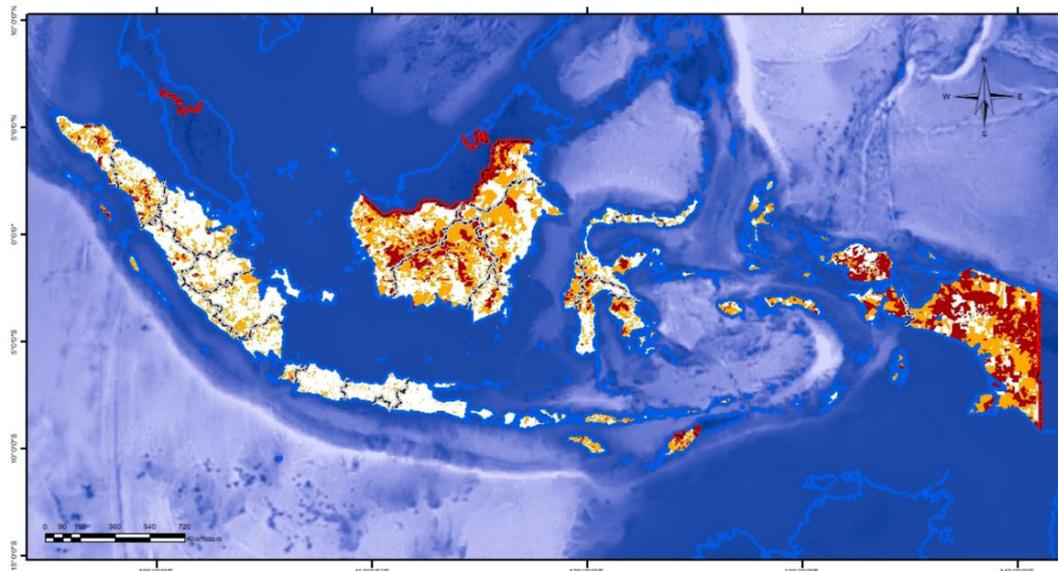


Figure 2. Existing Distribution of Disadvantaged Villages and Very Disadvantaged Villages
Source: Existing Profiling 2020-2024



This condition means that the social dimension has yet to be made a top priority in the development process. The social gap between rich and poor is still a serious problem. Social capital is key in this context because it is the foundation of social interaction and cooperation in society. In underdeveloped and very disadvantaged areas, where development challenges are more complex, social capital has an important role in overcoming the problems faced. Economic growth does increase welfare, but in the long term, it causes environmental damage, which in the end will also reduce profits, especially for poor people in certain areas who tend to be vulnerable. (Dalby, Horton, Mahon, & Thomaz, 2019) Economic growth without attention to the environment has the potential to be detrimental in the long term. Environmental damage threatens the livelihoods of poor people, especially in vulnerable areas. Reduced agricultural productivity and poor health due to pollution have an impact on well-being. It is important to integrate economic, social and environmental development to prevent these detrimental effects.

The lesson that can be taken from this condition is the importance of prioritizing dimensions that fight for justice, equity and equality. The social dimension is an important pillar that places humans as the subject of development and encourages active community participation in enjoying the results of development.

Furthermore, the institutional dimension born of awareness of human dignity is a crucial aspect in achieving sustainable development that focuses on justice and equality. These institutions must be able to form mutually supportive relationships, which will ultimately lead to the creation of sustainable prosperity. This research will try to answer three main questions:

1. How does the social dimension that is formed from conditions of social inequality become a social problem which ultimately becomes social capital starting from the village, where there is a lot of poverty caused by the development paradigm of growth and equality as well as the effects of globalization.
2. How, then, can social capital become an institution that forms a network supported by regulations and policies to create trust in the process towards prosperity, with economic, social and environmental pillars, as well as maintaining local culture.
3. How does the institution, as the center of these pillars, cover these limited social, economic and environmental aspects by harmonizing the production aspect, which is a capitalization monopoly which always goes hand in hand with the development of economic growth, which generates taxes for the state.

Sustainable environmental development is an important component in efforts to achieve overall sustainable development. Strong social capital can have a major impact on empowering institutions that strive to protect and manage the environment sustainably. Therefore, good and coordinated efforts are needed to develop adequate social capital conditions in order to encourage and support sustainable environmental development in the context of the Green Economy village style.

METHOD

In this research, the method used is a literature study (Nurjanah, N. E., & Mukarromah, T. T., 2021). A general explanation of the literature study method is a research method carried out by collecting, reviewing and analyzing various literature, scientific articles, books and other sources relevant to the research topic. This method is the right choice to explore an in-depth understanding of the concept of community empowerment based on local wisdom as social capital in sustainable development, especially in the context of the role of Village-Owned Enterprises (BUMDes) in achieving Sustainable Development Goals (SDGs).

The literature study method is used to explore the complexity of the topics of community empowerment, social capital, and sustainable development. This utilizes existing literature sources to gain comprehensive insight into the role of BUMDes in strengthening local wisdom-based SDGs.

The initial step is to identify the research topic, namely "Community Empowerment Based on Local Wisdom as Social Capital in Sustainable Development with a Focus on the Role of BUMDes in



Strengthening the SDGs." Then, researchers looked for relevant literature sources through academic databases, libraries and trusted online sources.

After that, the researcher chose literature sources that were directly related to the research topic, such as community empowerment based on local wisdom, social capital, sustainable development, and the role of BUMDes in achieving the SDGs. The data collected is in the form of quotes and important information from the literature.

This data was analyzed thoroughly to understand and synthesize the content of the literature. The results of the analysis are used to interpret the findings and relate them to the research objectives and relevant conclusions.

The literature study method provides an in-depth understanding of community empowerment based on local wisdom as social capital in sustainable development. This also highlights the important role of BUMDes in achieving the SDGs by utilizing local wisdom as a valuable resource. This literature study emphasizes the importance of social capital in developing green economic institutions based on local socio-cultural values.

Overall, the literature study method is an effective tool for exploring the concepts of community empowerment and social capital in the context of sustainable development. It is hoped that this research can contribute to the development of a model for strengthening BUMDes as a means of achieving SDGs in inclusive development.

Social Capital as an Institutional Pillar

Social capital has become a popular concept worldwide in recent decades. Governments, international organizations, non-profit organizations, multinational corporations, educational institutions, religious entities, and legacy media often use the term for a variety of problems as if it can solve, or at least help resolve grim social, political, economic, or communal issues. (Son, 2020). Social capital, which includes trust, norms and social networks, plays an important role in overcoming development challenges such as income inequality and the environment. However, in Indonesia, the potential of social capital has yet to be fully exploited, and there are even policies that hinder it, especially at the village level, resulting in a decline in the spirit of social capital and the emergence of corrupt practices.

To overcome this, it is necessary to strengthen social capital by prioritizing local wisdom as a middle solution to social problems, especially inequality that causes poverty. The government must understand and utilize local wisdom to reduce social problems and support sustainable development. A relevant approach is People Centered Development (PCD), which places the people at the center of attention and ensures that the development process benefits all parties. PCD focuses on meeting basic human needs, community empowerment, and social, economic and cultural aspects. It prioritizes community participation and considers local wisdom as a solution to social inequality, which is often hampered by changes in laws, regulations, and politics. When countries prioritize economic growth, local wisdom can be a better solution to social problems.

Beyond all such technical and economic challenges, the most daunting obstacle to success is the growing political will required to defeat the titanic interests and resources of the global fossil fuel industry. (Chomsky & Pollin, 2020). The problem of poverty, which is one of the results of social inequality, should rely on local wisdom as the right solution. Local wisdom allows the application of methods that are more related to the context and needs of local communities. However, the government's need for more attention to local wisdom means that efforts to overcome poverty receive minimal support and effective implementation.

Even though there are global commitments and international conventions that emphasize the need to protect indigenous people and natural resources in national development, in practice, their implementation still needs to be improved. Government Often makes minimal use of local wisdom in facing social challenges caused by two development paradigms and the negative impacts of globalization, such as environmental damage and dependence on foreign investment.

Social inequality and social problems that originate from the use of a development approach that does not pay attention to local wisdom need to be resolved with an approach that is more inclusive



and based on local wisdom. The government must recognize and support local wisdom as a source of solutions to overcoming social problems at various levels. Efforts to utilize local potential in development will enable active community participation and support development that is sustainable and relevant to the needs and social conditions of local communities.

In the context of development in Indonesia, the government must play a more active role in utilizing social capital and prioritizing local wisdom as the basis for sustainable and inclusive development. This can be realized through policies that encourage community participation, strengthen social networks, increase trust between individuals and support development that is oriented towards the welfare of society as a whole.

Green Economic Institutions as a Sociocultural Approach

A green economy ensures that villages can realize economic growth that can reduce poverty and ensure social inclusion, environmental sustainability and resource efficiency (Purnamawati, Yuniarta & Jie, 2023).

In sustainable development, the role of sociocultural elements is important. Unfortunately, environmental destruction and a focus on numbers often ignore this. Therefore, sustainable development must recognize the role of sociocultural experts in the process.

A growing economy requires natural resources, but economic growth must consider its impact on the ecosystem. Currently, measuring economic growth only focuses on goods and services without taking holistic human welfare into account.

Critics of this highlight that economic development must take into account a country's culture. Culture, such as honesty and work ethic, influence economic performance and must be the main concern in sustainable and inclusive development.

Indonesia faces the challenge of changing the "black economy" paradigm to a "green economy" to maintain economic and environmental sustainability. However, sociocultural aspects also need to be better considered in this process.

Social capital, according to Putnam (1993), refers to social organizations consisting of beliefs, norms and networks that can increase the efficiency of society with good coordination. In this context, to build trust, it is necessary to fulfill Human Rights (HAM) and global commitments, as outlined by the 12 Sustainable Development Goals of the United Nations Development Program (UNDP), especially in supporting local indigenous people and integrating local wisdom with national development.

However, currently, social and cultural capital, which includes participatory, active and independent community empowerment, has yet to reach a strong level of development in Indonesia. A project mentality that ignores community trust and confidence is becoming the color of development, which is increasingly declining, especially in rural areas. To achieve full efficiency and awareness in the green economy, it is important to respect the existence of social and cultural capital as a driver of creative ideas in various aspects of development.

It is hoped that the government will be helped by the awareness of the public, who are tireless in creating innovative ideas. Sustainable development needs to start by strengthening social capital at the village level as the front guard in realizing the ideals of the Republic of Indonesia (Nawa Cita).

Poverty is still a problem that must be resolved as an inseparable part of human-centered development. Various factors, such as agricultural, ecological and rural crises, contribute to the emergence of poverty. Apart from that, inequality in economic growth that is not balanced with equality also causes several areas to be difficult to reach, and people need help accessing education and information.

The lack of access to natural resources, which certain parties control without clear time limits, is one of the root problems that causes poverty. This results in people's dependence on government assistance and hinders their creativity.

In an effort to overcome the problem of poverty, the government has adopted Sustainable Development Goals (SDGs) as a continuation of Millennium Development Goals (MDGs). The initial goal of the SDGs in 2030, which was on the agenda, was to end poverty in all aspects. (Houssam, Ibrahiem, Sucharita, El-Aasar, Easily & Sethi, 2023). Economic development is a key dimension of the



SDGs (Bie, Wang, Qiang, Ma, Gu & Tian, 2023). SDGs are a series of programs that aim to eradicate poverty as a whole. These programs include 5Ps: people, planet, prosperity, peace, and partnership. Most global goals and indicators, such as the SDGs, are formulated at a highly aggregated level and are often measured against national and transnational targets (Moallemi, Malekpour, Hadjidakou, Raven, Szetey, Ningrum & Bryan, 2020).

The sustainable development program includes 5 Principles (5P), which start with respecting human values and alleviating poverty based on local wisdom. Principle "people" This places humans at the center of development attention by ensuring that all their needs are met fairly and equally without anyone being left behind. The principle "planet" aims to protect the earth as a place for humans to live. This includes efforts to protect the earth from all forms of damage and loss due to human activities, as well as formulating a concept for caring for the earth for present and future generations. Next, the principle of "prosperity" aims to ensure that all humans can live in prosperity by meeting all their needs. The principle "peace" emphasizes the importance of peace in creating justice and freedom from fear and violence. Finally, the principle "partnership" prioritizes cooperation in the implementation of sustainable development so that all stakeholders can work together to achieve these goals. Definition of the most common terms about "partnership" Basically, there is a mutually positive balance. (Menashy, F., 2019).

Social capital in this context is formed through the application of local wisdom and respect for Human Rights (HAM) as a global commitment to meeting the basic needs of society. Local wisdom includes knowledge and norms that have developed over time and are related to the beliefs and culture of local communities. The role of local wisdom is very important in understanding community habits as an opportunity to improve overall development aspects, including economic, social and environmental aspects.

In order to succeed, Efforts to eradicate poverty based on local wisdom through the SDGs (sustainable development goals) program require the implementation of global commitments that have been ratified through various laws and regulations. This commitment includes:

1. Respect and uphold Human Rights;
2. Global commitment to the social development of indigenous peoples in accordance with the convention international Labour Organization (ILO);
3. Issues of environmental conservation and avoiding excessive exploitation of natural resources towards indigenous communities;
4. Eliminate marginalization of indigenous people in national development And
5. Strengthening the wisdom values of local communities in poverty reduction programs (Saharuddin, 2009).

In implementing community empowerment programs, the government, together with active participation from the community, seeks to create an atmosphere of mutual support through the "enabling, empowering and protecting" approach. This effort includes three important pillars, namely socio-cultural, economic and environmental aspects.

The socio-cultural approach focuses on exploring positive cultural values and local knowledge to overcome poverty, which will help people realize their dignity as complete human beings. Meanwhile, the economic approach aims to increase income, while the environmental approach aims to preserve the environment by controlling the exploitation of environmental resources.

The government needs to provide support to village communities through policies related to natural resources and developing the potential of local communities. Most of this potential is found in villages. The PCD approach supports society in achieving quality growth in various dimensions of life. There are three patterns and efforts in developing society:

1. Provision of basic services to meet essential needs and improve social welfare, including health facilities, nutrition and sanitation.
2. Planned efforts to achieve goals that are difficult to measure, such as justice, equality, cultural improvement, peace, and equal opportunity.



3. Efforts to increase human capability to actively participate in the decision-making process or policies related to themselves.

These three efforts are interconnected and accumulated to become one in an effort to achieve poverty alleviation based on local wisdom, which is known as participatory, active and independent community empowerment. Community empowerment in non-formal forms in the development of B-MASKA (Behavior, Motivations, Attitudes, Skills, Knowledge, and Awareness), information exchange, community empowerment, environmental performance, and improving livelihoods remains an effective tool for overcoming challenges in environment and sustainability. (Zikargae, Woldearegay & Skjerdal 2022).

Such community empowerment is a form of empowerment that is different from community empowerment, which the government completely controls. This is an activity that involves active participation in serving other members of society, with a deep understanding of the problems in their environment, so that they are able to detect and develop their potential towards economic independence without depending on other parties.

Social Capital Based on Local Wisdom as Strengthening Institutions and the Environment in Sustainable Development

The title above is very supportive because it contracts with the previous development paradigm, which was exploitative in terms of growth and equality. Local wisdom is a form of human capital and social capital that stores local knowledge and valuable skills, which should be considered as one of the foundations of alternative approaches to development.

There is no doubt that local wisdom is used to overcome social problems. Looking at the reasons why local wisdom plays a role and functions as social capital: first, social capital is part of social life, which has a production function as a frame of reference that nature effective, efficient and social function because it contains structures, relationships, cognition, associations that require members to be aware of their rights, obligations and expectations (for example, the Dayak tribe uses chopsticks for hunting and the Arso people in Papua, whose leaders act in a non-exploitative manner).

Second, the community manages forests as the center of economic life as well as having social, religious and educational meaning in a non-exploitative and non-greedy manner, limited to sufficient needs. They organize a legacy of good life values with attitudes that preserve nature and maintain good social relations.

It is important to focus on innovation in overall national development and continue to promote innovation in various aspects, including theoretical innovation, institutional innovation, technological innovation, cultural innovation, and so on. (Hu, Yan & Tang, 2018). Ignoring local wisdom will have an impact on people being alienated from various aspects of life which only prioritize politics and economics for immigrants, rich people and the government, which has been happening for decades over the management of natural resources and the growth economy.

The similarities in meaning between social capital and local wisdom include economic elements, community structure, relationships, trust, and obedience between community members, which have a natural character and are not created. This situation has been proven through time in regulating people's social interactions. The main ideas about the role of local wisdom as social capital:

1. Incessant development so far shows a tendency to ignore local wisdom, which is full of moral and ethical values as the social capital of society.
2. All development introductions that are not oriented towards local wisdom as social capital are an insult to the human existence of local indigenous communities.
3. The local wisdom-based development approach is in line with the sustainable development paradigm because it is participatory and emancipatory (compared with the development paradigm of exploitative economic growth).
4. The local wisdom-based development paradigm is the implementation of an empowerment, alignment and development approach protection towards the local community.



Applying the Social Capital Concept requires more than assistance, namely independence in overcoming economic and social problems. Social capital is an approach to reducing poverty and improving community welfare. Success in applying this concept varies.

Coproduction and community participation are key. Coproduction is the active involvement of people in creating the goods and services they need. It involves participation in political, economic, social, cultural and other decisions to achieve their well-being within a social group.

Participation in co-production is more important than services provided by the bureaucracy. Sustainable development is the main goal for improving global prosperity. Local Wisdom-based Social Capital is the basis for strengthening institutions and the environment in sustainable development.

To achieve this goal, economic and social growth must be in line with human rights and global commitments. Growth-centered development must be supported by efforts to empower the community, involve local wisdom, and maintain environmental balance. Social capital based on local wisdom is a key element in achieving this goal. Society must be committed to fighting for human rights, global commitments and sustainable development goals, as mandated in the 12th United Nations Development Program (UNDP) regarding 'Maintaining Sustainable Consumption and Production Patterns' and the 13th regarding 'Preserving Life in Underwater' (13 ACCESS). Community empowerment is the key to realizing participatory and sustainable development.

Local wisdom-based social capital includes various aspects, such as trust, norms and social networks. What is meant by a social capital intervention varies across reviews: one review aims to improve the cognitive and structural components of an individual's SC (Flores et al., 2018), one review looks at cognitive and bonding social capital (Coll-Planas et al., 2017), and one review covers the various dimensions of social capital (cognitive, structural, bridging, bonding, and connecting) (Villalonga-Olives et al., 2018) in (Ehsan, Class, Bastianen & Spini, 2019).

Communities at the village level must be able to form bonds and support each other, both at the internal level (bonding) as well as with communities outside the village (bridging). Bonding refers to the attachment and solidarity among community members at the village level. This closeness and togetherness is the foundation for mutual support and working together towards sustainable development goals. At the same time, bridging connects village communities with communities outside the village and surrounding areas. Networks formed through bridging this becomes important in expanding the potential for cooperation and access to a wider range of resources. In addition, there is a need to form a strong network between village communities and the surrounding area (linking) to act as a liaison between village communities and the government and other related institutions. Empowering government support (enabling), giving strength (empowering), and protection (protecting) is an important key in mobilizing this social capital as a force in sustainable development. When social capital based on local wisdom grows and is implemented well, village communities become more independent and able to face various challenges in sustainable development.

Village-Owned Enterprises (BUMDes) institutions play a central role in implementing sustainable development initiatives at the village level. BUMDes must carry out various functions in accordance with the Sustainable Development Goals (SDGs), including social forestry, which is regulated by Presidential Regulation Number 111 of 2022. Implementing social forestry at the village level is a step forward to maintain economic independence, avoid high costs in economic practices, and prevent corrupt behavior that is detrimental to society.

In development, it is important to maintain balance and harmony between economic, social and cultural aspects. BUMDes must collaborate with the community in preserving the environment and increasing the empowerment of natural resources in village areas. This includes managing social forestry wisely and responsibly and protecting the environment from over-exploitation of natural resources. Therefore, the role of social capital based on local wisdom becomes very relevant in maintaining balance and continuity of sustainable development.

Apart from that, social capital also plays an important role in influencing institutions and the environment through social economics. Institutions such as cooperatives and BUMDes can act as empowerment agents for village farmers in managing social forests and natural resources sustainably.



Cooperatives and BUMDes can increase active community participation in the development process and encourage the application of local wisdom in the sustainable management of natural resources. To achieve successful sustainable development, the government needs to provide support and policies that support the empowerment of village communities. The government must create an environment that supports the development of BUMDes through various policies related to natural resources and developing the potential of village communities. The Human-Centered Development (PCD) approach is the right strategy to achieve this goal. PCD encourages community empowerment so that they can play an active role in development and develop their potential in various aspects of life.

Community empowerment means that the community actively participates and serves fellow community members. Empowered communities will better understand the problems faced by their environment so that they can detect problems, develop themselves, and achieve economic independence without depending on other parties. Through social capital based on local wisdom, village communities will create a strong spiritual atmosphere where they feel they have a role and responsibility in development. This spiritual knowledge becomes an invaluable resource in facing possible economic difficulties, high costs, and even threats from rent-seeking practices and corrupt behavior. This social capital will strengthen the economic independence and ability of village communities to play an active role in achieving sustainable development goals.

Social Dimensions of Social Inequality towards Social Capital in Villages

Social inequality becomes a complex social problem when there is a significant gap between societal groups in terms of access to resources and opportunities. In many rural areas, social inequality becomes apparent because of a development paradigm that focuses on economic growth without paying attention to equality. In this context, many rural areas experience poverty and limited access to public services, education and infrastructure.

The effects of globalization also influence conditions of social inequality in villages. Globalization brings positive impacts, such as access to international markets, but also brings challenges, such as intense competition and the risk of losing cultural identity. When villages experience the negative impacts of globalization without strengthening social capital, social problems worsen. Social inequality in villages tends to strengthen dependence on the government and causes village communities to become vulnerable to various social problems such as poverty, inequality and injustice. Poverty is a multidimensional concept, manifesting in various forms such as unemployment, debt, lack of fulfillment of basic needs and so on. (Olarinde, Abass, Abdoulaye, Adepoju, Fanifosi, Adio, & Wasiu, 2020).

Social capital emerged as a response to social problems and inequality that existed in the village. Social capital is a collection of values, norms, beliefs and social networks in society that enable collaboration, mutual support and cooperation to achieve common goals. In villages, social capital is built through active community participation in efforts to empower themselves and improve the quality of life. This social capital becomes capital for village communities to move forward towards sustainable development and overcome existing social inequality.

Social Capital as an Institution for Creating Trust in the Process of Leading to Prosperity

There is no doubt that social capital is a central concept in social science (Son, J. (2020)). Social capital has been defined in various ways in the social sciences, including in the above quote from the work of Robert Putnam, a political scientist who spent most of his career at Harvard (Cook, K. S, 2022). Social capital in the village context develops into an institution formed through social networks and supported by regulations and policies that support community strengthening. This institution aims to create trust and interdependence between members of the village community and with external parties such as the government, non-governmental organizations and the private sector. Social capital, according to Putnam (1995), refers to "aspects of social organization, such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit" (Kim & Shim, 2018).

Social capital, from a macroeconomic perspective, is collective and based on trust and trust-based networks (Thompson, 2018). In the economic aspect, social capital encourages collaboration and partnerships between community members in order to build joint businesses such as Village-Owned



Enterprises (BUMDes) to improve the village economy. The social aspect of social capital emphasizes solidarity, togetherness, and community participation in overcoming social problems, such as poverty and inequality.

On the environmental side, social capital plays an important role in preserving natural resources and the environment. This institution directs village communities to manage natural resources sustainably and adopt environmentally friendly practices. Social capital also functions in maintaining and developing local culture so that it is preserved in the process of modernization and globalization.

Institutions as Central Pillars of Social Capital in the Village

Institutions act as the center of the pillars of social capital, which cover social, economic and environmental aspects of life in the village. Through institutions, village community members can collaborate in order to build strong and sustainable social capital.

In the economic aspect, institutions such as BUMDes act as a driving force in improving the village economy. BUMDes empowers communities to actively participate in joint ventures based on the principles of economic independence and social justice. Social justice is an ideal condition where all members of society have the same basic rights, protection, opportunities, obligations and social benefits. (Zastrow & Hessenauer, 2022). In this case, the BUMDes institution coordinates various programs and projects that support improving the village economy and sustainable development.

In the social aspect, institutions work to build and strengthen social relationships between members of society. Institutions such as traditional institutions or community associations can facilitate collaboration and solidarity among community members in dealing with social problems and strengthen social ties in the village.

In the environmental sector, institutions play an important role in coordinating efforts to preserve natural resources and the environment in the village. Society, through institutions, can play an active role in maintaining a balance between economic needs and environmental preservation.

However, it should be remembered that institutions are limited in their limited resources and role in dealing with aspects of production that become monopoly capitalization and the development of economic growth. Therefore, efforts to harmonize and synergize between the pillars of social capital and institutions need to be strengthened in order to overcome these challenges and achieve sustainable development based on social justice and community welfare.

CONCLUSION

Community empowerment based on local wisdom through Village-Owned Enterprises (BUMDes) is the key to achieving Sustainable Development Goals (SDGs). It explores local wisdom, promotes justice, and provides the basis for balanced economic, social, and environmental growth. BUMDes helps create jobs, increase income and exploit village potential. They also play a role in alleviating poverty, improving welfare, and educating the public about environmental conservation.

In achieving the SDGs, BUMDes is the driving force that enables communities to become independent in development. This reflects that sustainable development must be inclusive, participatory and have a positive impact on society and the environment.

Strengthening social capital and the role of BUMDes is an important foundation for sustainable development that supports justice, equality and community welfare. This solution will bring positive changes in realizing sustainable development. With synergy between social capital and institutions such as BUMDes, the dream of a sustainable and sustainable future can be realized. One village, one small step, a step towards better global change.

REFERENCES

- [1] Bie, Q., Wang, S., Qiang, W., Ma, X., Gu, Z., & Tian, N. (2023). Progress toward Sustainable Development Goals and interlinkages between them in Arctic countries. *Heliyon*, 9(2) <https://doi.org/10.1016/j.heliyon.2023.e13306>
- [2] Breuer, A., Leininger, J., Malerba, D., & Tosun, J. (2023). Integrated policymaking: Institutional designs for implementing the sustainable development goals (SDGs). *World Development*, 170, 106317, <https://doi.org/10.1016/j.worlddev.2023.106317>

- 
- [3] Chomsky, N., & Pollin, R. (2020). *Climate crisis and the global green new deal: The political economy of saving the planet*. Verso Books
- [4] Cook, K. S. (2022). *Advanced Introduction to Social Capital*. Edward Elgar Publishing.
- [5] Dalby, S., Horton, S., Mahon, R., & Thomaz, D. (Eds.). (2019). *Achieving the sustainable development goals: Global governance challenges*. Routledge, <https://doi.org/10.1016/j.oneear.2020.08.006>
- [6] del Olmo-García, F., Domínguez-Fabián, I., Crecente-Romero, F. J., & del Val-Núñez, M. T. (2023). Determinant factors for the development of rural entrepreneurship. *Technological Forecasting and Social Change*, 191, 122487, <https://doi.org/10.1016/j.techfore.2023.122487>
- [7] Ehsan, A., Klaas, H. S., Bastianen, A., & Spini, D. (2019). Social capital and health: A systematic review of systematic reviews. *SSM-population health*, 8, 100425.) <https://doi.org/10.1016/j.ssmph.2019.100425>
- [8] Elgar, F. J., Stefaniak, A., & Wohl, M. J. (2020). The trouble with trust: Time-series analysis of social capital, income inequality, and COVID-19 deaths in 84 countries. *Social science & medicine*, 263, 113365, <https://doi.org/10.1016/j.socscimed.2020.113365>
- [9] Houssam, N., Ibrahiem, D. M., Sucharita, S., El-Aasar, K. M., Esily, R. R., & Sethi, N. (2023). Assessing the role of green economy on sustainable development in developing countries. *Heliyon*. <https://doi.org/10.1016/j.heliyon.2023.e17306>
- [10] Hu, A., Yan, Y., & Tang, X. (2018). Introduction: People-Centered Development Idea. Xi Jinping's New Development Philosophy, 1-14. https://doi.org/10.1007/978-981-10-7736-4_1
- [11] Irfan, A. (2023). Implementation Of People Centered Development Model In Village Development (Theoretical Study Of Agil Talcot Parsons). *International Journal of Advanced Multidisciplinary*, 2(1), 121-129 <https://doi.org/10.38035/ijam.v2i1>
- [12] Kementerian Lingkungan Hidup dan Kehutanan. (2011). *Laporan Status Lingkungan Hidup Indonesia 2011*.
- [13] Kim, N., & Shim, C. (2018). Social capital, knowledge sharing and innovation of small-and medium-sized enterprises in a tourism cluster. *International journal of contemporary hospitality management*, 30(6), 2417-2437, <https://doi.org/10.1108/IJCHM-07-2016-0392>
- [14] Menashy, F. (2019). *International aid to education: Power dynamics in an era of partnership*. Teachers College Press.
- [15] Nurjanah, N. E., & Mukarromah, T. T. (2021). Pembelajaran berbasis Media Digital pada Anak Usia Dini di Era Revolusi Industri 4.0: Studi Literatur. *Jurnal Ilmiah Potensia*, 6(1), 66-77, <https://doi.org/10.33369/jip.6.1.66-77>
- [16] Olarinde, L. O., Abass, A. B., Abdoulaye, T., Adepoju, A. A., Fanifosi, E. G., Adio, M. O., ... & Wasiu, A. (2020). Estimating multidimensional poverty among cassava producers in Nigeria: Patterns and socioeconomic determinants. *Sustainability*, 12(13), 5366. <https://doi.org/10.3390/su12135366>
- [17] Peraturan Presiden Nomor 111 Tahun 2022, Tentang Perhutanan Sosial
- [18] Percival, R. V., Schroeder, C. H., Miller, A. S., & Leape, J. P. (2021). *Environmental regulation: Law, science, and policy [connected EBook with study center]*. Aspen Publishing.
- [19] Purnamawati, I. G. A., Yuniarta, G. A., & Jie, F. (2023). Strengthening the role of corporate social responsibility in the dimensions of sustainable village economic development. *Heliyon*, 9(4). <https://doi.org/10.1016/j.heliyon.2023.e15115>
- [20] Putnam, R. D. (2000). *Bowling Alone: The Collapse and Revival of American Community*. New York, NY: Simon & Schuster.
- [21] Robinson-Pant, A. (2023). Education for rural development: Forty years on. *International Journal of Educational Development*, 96, 102702, <https://doi.org/10.1016/j.ijedudev.2022.102702>
- [22] Roldan, C. S., Giraldo, G. A. M., & Santana, E. L. (2023). Sustainable development in rural territories within the last decade: A review of the state of the art. *Heliyon*. <https://doi.org/10.1016/j.heliyon.2023.e17555>

- 
- [23] Saharuddin. (2009). "Pemberdayaan Masyarakat miskin Berbasis Kearifan Lokal." *Sodality: Jurnal Transdisiplin Sosiologi, Komunikasi dan Ekologi Manusia*, 3(1), 180809.
- [24] Son, J. (2020). *Social capital*. John Wiley & Sons.
- [25] Sulasih, S., Suroso, A., Novandari, W., & Suliyanto, S. (2022). The role of digital technology in people-centered development: the basic needs approach in the Kampung Marketer Program. *Jurnal Perspektif Pembiayaan Dan Pembangunan Daerah*, 9(6), 493-502 <https://doi.org/10.22437/ppd.v9i6.15340>
- [26] Thompson, M. (2018). Social capital, innovation and economic growth. *Journal of behavioral and experimental economics*, 73, 46-52. <https://doi.org/10.1016/j.socec.2018.01.005>
- [27] Ying, W. (2021). Grasping the Xi Jinping's People-Centered Development Philosophy
- [28] Zastrow, C., & Hessenauer, S. L. (2022). *Empowerment series: Introduction to social work and social welfare: Empowering people*. Cengage Learning.
- [29] Zikargae, M. H., Woldearegay, A. G., & Skjerdal, T. (2022). Empowering rural society through non-formal environmental education: An empirical study of environment and forest development community projects in Ethiopia. *Heliyon*, 8(3) <https://doi.org/10.1016/j.heliyon.2022.e09127>
- [30] Zikargae, M. H., Woldearegay, A. G., & Skjerdal, T. (2022). Empowering rural society through non-formal environmental education: An empirical study of environment and forest development community projects in Ethiopia. *Heliyon*, 8(3). <https://doi.org/10.1016/j.heliyon.2022.e09127>