

## Social Capital Between Restaurant Owners and Fish Traders at the Lappa Fish Auction Place

Muhammad Syafri<sup>1\*</sup>, Syamsu A Kamaruddin<sup>2</sup>, Supriadi Torro<sup>3</sup>, Arlin Adam<sup>4</sup>

<sup>1,2,3</sup>Universitas Negeri Makassar, Makassar, Indonesia

<sup>4</sup> Universitas Mega Buana Palopo, Luwu, Indonesia

### Abstract

The relationship between restaurant entrepreneurs and fish traders is not only transactional economic, but also a social relationship based on trust, local cultural values, and informal social networks. The approach used in this study is a descriptive qualitative approach with data collection techniques in the form of observation, in-depth interviews, and documentation. The theories used in the analysis include symbolic interaction theory (Blumer), social exchange theory (Homans), and social capital theory (Coleman). The results of the study show that the forms of interaction that occur between the two parties include long-term subscription practices, timely payments, and close communication based on local values such as *siri'*, cooperation, and mutual trust. This social interaction has been proven to be able to produce stability in the supply and distribution of fresh fish, as well as strengthen the local economic resilience of coastal communities. The existence of social capital is the main key in forming a network of cooperation that is not only economically profitable but also strengthens social solidarity. Thus, economic practices at TPI Lappa reflect the integration between the economic system and local culture that characterizes the Bugis-Makassar coastal community.

**Keywords:** social capital, restaurant, fish trader, trust, local culture

### 1. Introduction

Social interaction is an essential element in community life. It serves not only as a means of communication and the formation of relationships between individuals, but also as a foundation for the formation of social systems, economic structures, and culture. In various aspects of life, social interaction occurs in various forms and contexts, one of which is local economic activities involving business actors and the surrounding community (Narayan & Cassidy, 2001). A concrete example of this economic-based social interaction can be seen in the relationship between restaurant owners and fish sellers at the Lappa Fish Auction Place (TPI) in Sinjai Regency, which is rich in social and cultural values. Sinjai Regency, located on the southern coast of South Sulawesi, has abundant marine resources. The Lappa TPI serves as a distribution center for fish caught by local fishermen, playing a vital role in meeting market demand, including for restaurant owners in the area. In practice, the relationship between fish traders and restaurant owners is not limited to buying and selling transactions but has developed into a social relationship based on trust, solidarity, and local culture. This social interaction reflects the interconnectedness of economic and social dimensions and forms a complex socio-economic network.

According to Bhandari & Yasunobu (2009), social interaction is the key to all social life, without which communal life would be impossible. This demonstrates that in an economic context, interactions between actors are not merely transactions, but also ongoing social communication. In the context of the Lappa Fish Market (TPI Lappa), the relationship between restaurant owners and fish sellers reflects a unique social dynamic, involving price bargaining, a trust system in the form of installment payments or debt, and other social customs inseparable from the local culture. The phenomenon of social interaction at the Lappa Fish Market can be understood as a form of social adaptation among business owners to meet economic needs while building long-term relationships. Fish sellers not only focus on selling their products but also strive to retain customers through a personal approach. On the other hand, restaurant owners are highly dependent on the continued supply of quality and stable raw materials. The continuity of this interaction reflects the existence of a social structure that has been formed and maintained over a considerable period. To understand this relationship scientifically, a theoretical approach is required. One relevant theory in this context is the Symbolic Interaction Theory developed

\*Corresponding Author: Muhammad Syafri, E-mail: [muhammadsyafri@student.unm.ac.id](mailto:muhammadsyafri@student.unm.ac.id)

by Herbert Mead. This theory suggests that social meaning is formed and created through symbolic interactions between individuals (Díaz et al., 2002). In the context of buying and selling between fish sellers and restaurant owners, social symbols such as language, gestures, greetings, and tone of voice are important elements in constructing meaning from these interactions.

According to Guardaro et al. (2022), symbolic interaction places significant emphasis on how individuals assign meaning to their actions within a specific social context. In this context, price bargaining, payment promises, and mutual respect are tangible forms of social symbols that have functional value in economic interactions. The Social Exchange Theory, introduced by George C. Homans, is relevant in explaining the dynamics of the relationship between restaurant owners and fishmongers. Homans argues that every social interaction is based on the principle of reciprocity. Individuals will maintain social relationships if they feel they benefit from the interaction (Aldrich & Meyer, 2015). Restaurants obtain a supply of fresh fish, while fish sellers obtain a stable income and ongoing customer relationships. This relationship is not only transactional, but also contains emotional and social aspects, where trust is a key element that binds the relationship. According to , in the context of local communities, social interactions in the economic sector are greatly influenced by existing cultural norms and social values. Values such as honesty, cooperation, solidarity, and mutual trust are the basis for building a network of small and medium enterprises (SMEs).

This is evident in the relationships between restaurant owners and fish sellers at the Lappa Fish Market, which are often informal and based on familiarity, rather than formal contracts. The credit-credit system, the lending of raw materials, and mutual assistance in fish distribution are examples of social relations grounded in these local values. Furthermore, Engbers et al. (2017) states that social interactions in the local economic context are characterized by flexibility and continuity. This flexibility is evident in the dynamic bargaining system and variable price negotiations. Continuity, meanwhile, is reflected in ongoing interaction patterns, even forming a kind of "social subscription" based not only on economic interests but also on long-term social ties. In the context of regional economic development, these social relationships play a significant role. A strong social network between business owners and suppliers can generate microeconomic stability, strengthen local food security, and create employment opportunities for the local community. In this regard, the Lappa Fish Market serves not only as a center for marine commodity transactions but also as a vital node in the socio-economic network that supports the livelihoods of the coastal communities of Sinjai Regency.

Given the complexity of these interactions, it is crucial to conduct in-depth research into the patterns and dynamics of social relations between restaurant owners and fish sellers at the Lappa Fish Market. This research aims to explore the forms of social interactions that occur, the factors influencing them, and their impact on business sustainability and community social life. Through a qualitative approach, this research is expected to contribute to the development of social sciences and provide practical recommendations for strengthening local economic networks based on social relations.

## 2. Literature Review

Social interaction serves as the fundamental basis for social life within any community, encompassing the complex web of economic relations that sustain local markets. As defined by Park & Bowman (2014), "social interaction is the dynamic social relations between individuals or groups, both directly and indirectly." In the specific context of the relationship between restaurant owners and fish sellers at TPI Lappa, this interaction is not merely transactional but manifests through continuous communication, the art of bargaining, and repeated transactions that eventually solidify into long-term social relations. To understand the depth of these relations, it is necessary to look beyond the surface level of trade. Herbert Blumer's Symbolic Interaction Theory emphasizes that interactions between individuals are formed through symbolic meanings interpreted in communication (Pretty, 2003). Within traditional market environments like TPI Lappa, economic terms evolve into social symbols; concepts such as being a "regular customer," offering a "friendly price," or holding a "debt of trust" are not just financial descriptors but are social symbols that strengthen relationships and foster distinct bonds between business actors.

These symbolic relationships are sustained by the underlying principle of reciprocity found in economic behavior. According to George C. Homans, "all social interactions are a form of exchange aimed at

\*Corresponding Author: Muhammad Syafri, E-mail: [muhammadsyafri@student.unm.ac.id](mailto:muhammadsyafri@student.unm.ac.id)

obtaining mutual benefits” (Pearson et al., 2008). This perspective illuminates the dynamic between fish sellers and restaurant owners as a mutually beneficial ecosystem: one party secures a consistent supply of fresh raw materials, while the other secures reliable, regular customers, creating a stable economic loop. Over time, these repeated exchanges and shared meanings accumulate into a valuable resource known as social capital. Social capital refers to the networks, trust, and norms that facilitate cooperation within a group. As noted by Bridger & Luloff (2001), "social capital facilitates coordination and cooperation to achieve common goals." In the bustling environment of TPI Lappa, trust and loyalty function as critical forms of social capital, acting as the invisible infrastructure that maintains stable and harmonious economic interactions amidst market fluctuations.

Finally, these economic behaviors cannot be separated from the cultural container in which they occur. Nosratabadi et al. (2020) stated that the economic activities of traditional societies are heavily influenced by local cultural values. This is particularly evident in coastal communities like Sinjai, where the values of solidarity, kinship, and trust are the primary foundations of buying and selling practices. This suggests that the transactions at TPI Lappa are not isolated economic events but are deeply embedded in the wider social fabric and cultural traditions of the region.

### **3. Method**

#### **Research Design**

This study employs a qualitative approach with a descriptive method. This specific approach was chosen because the study aims to understand social phenomena naturally and deeply regarding the social capital formed between restaurant business operators and fish sellers. According to Creswell, qualitative research is a method for exploring and understanding the meaning that several individuals or groups ascribe to a social or human problem. Through this design, the researcher intends to describe the forms of social interaction, trust, and networks that exist at the Fish Auction Place (TPI) Lappa without manipulating the conditions in the field, allowing the complex dynamics of economic and social relationships to emerge authentically from the participants' perspectives.

#### **Research Location**

The research will be conducted at the Fish Auction Place or Pelelangan Ikan (TPI) Lappa, located in Sinjai Regency. The selection of this location is based on the consideration that TPI Lappa is a primary center of economic activity where intensive interactions occur between various economic actors. Specifically, the interactions between restaurant owners and fish sellers in this area hold the potential for strong social capital practices that are crucial for the local economy. The research is scheduled to be carried out over a specific duration to ensure sufficient depth of data collection, starting from the initial observation phase until the final reporting phase.

#### **Data Sources**

Data sources in this study are categorized into primary and secondary data. Primary data is obtained directly from the field through in-depth interviews and direct observations of the subjects. The main sources for this data are the restaurant business operators and fish sellers who actively conduct transactions at TPI Lappa. Meanwhile, secondary data is obtained from supporting documents that provide context to the primary findings. This includes data on the number of traders obtained from the TPI Lappa management office, previous research journals, and books relevant to the theories of social capital, social interaction, and coastal community economics.

#### **Informant Determination**

Technique Informants in this study were selected using the purposive sampling technique. The researcher determines informants based on specific criteria to ensure the data obtained is relevant to the research objectives and capable of answering the research problems. The criteria established for selecting informants include fish sellers who have been trading at TPI Lappa for a significant period to understand the market dynamics, restaurant owners who are regular customers at the auction place, and individuals involved in specific economic relationships such as debt or credit arrangements and long-term subscriptions. This selection method ensures that the informants possess the specific knowledge and experience required for the study.

### **Data Collection**

To obtain complete and valid data, the researcher utilizes three main techniques carried out integratively. First, the researcher conducts non-participant observation by directly observing the buying and selling process, bargaining interactions, and forms of cooperation at TPI Lappa to witness the physical manifestation of social capital. Second, in-depth interviews are conducted using open-ended questions with selected informants to explore their deeper perspectives on trust, solidarity, and the benefits of the relationships they build. Finally, the researcher employs documentation techniques by collecting data in the form of photographs of activities, notes on transaction records if permitted, and other relevant documents that support and corroborate the results from observations and interviews.

### **Data Validity**

To ensure the validity and credibility of the data, this study uses source triangulation. The researcher will compare the information obtained from different parties to verify the accuracy of the data. For instance, information regarding a specific agreement or debt relationship obtained from fish sellers will be cross-checked with the information obtained from restaurant owners. This process helps to verify the consistency of their statements regarding the trust and cooperation that occurs and minimizes the subjectivity of individual views.

### **Data Analysis**

Data analysis is carried out using the interactive model proposed by Miles, Huberman, and Saldaña, which consists of three continuous flows of activity. The first flow is data condensation, where the researcher selects, focuses, simplifies, and abstracts the raw data found in field notes and interview transcripts. The second flow is data display, where the researcher organizes the compressed information into narrative text to facilitate understanding of the field dynamics. The third flow is conclusion drawing and verification, where the researcher draws initial conclusions based on the findings and continuously verifies them with valid evidence throughout the research process until credible final conclusions are reached regarding the role of social capital in TPI Lappa.

## **4. Results**

The findings of this study comprehensively indicate that the social capital formed between restaurant business operators and fish sellers at TPI Lappa is not merely a supplementary element of trade but serves as the primary and indispensable foundation for the sustainability of their economic activities. Through extensive observation, it was revealed that the economic ecosystem at TPI Lappa operates on a logic that differs significantly from formal market structures, where transactions are impersonal and legally binding. Instead, the interaction process here begins in the early hours of the morning and extends far beyond simple transactional negotiations regarding weight and price. The interactions observed are characterized by a high degree of intimacy and familiarity, where communication often involves specific inquiries about family well-being, health, and daily life before any discussion of fish prices occurs. This intense and repetitive social interaction constructs a distinct social bonding that transforms the relationship from a tentative buyer-seller dynamic into a long-term partnership based on mutual recognition and shared history.

Trust appears as the most dominant and critical element of social capital in the relationship between these two actors, acting as the currency that facilitates speed and efficiency in trade. This trust is concretely manifested through the mechanism of payment flexibility or the debt system, locally referred to as taking goods on "bon." The results show that fish sellers willingly hand over high-value, perishable fish stocks to restaurant owners without requiring immediate payment, written contracts, or formal collateral. This high-trust transaction is built entirely upon the restaurant owner's reputation and the accumulated history of their relationship. For the fish sellers, extending this trust is a calculated risk that ensures their perishable goods are sold quickly to reliable buyers before quality deteriorates, while for the restaurant owners, this trust allows them to manage cash flow more effectively, as they can pay for the raw materials after they have generated revenue from their own customers. The existence of this credit system proves that social capital reduces transaction costs, as there is no need for complex administrative procedures to secure goods.

Furthermore, the social network at TPI Lappa is strongly established through the concept of *langganan* or regular patronage, which functions as an informal insurance mechanism for both

\*Corresponding Author: Muhammad Syafri, E-mail: [muhammadsyafri@student.unm.ac.id](mailto:muhammadsyafri@student.unm.ac.id)

parties amidst the high uncertainty of fish catches and market prices. The study found that this patronage system creates a moral obligation that transcends market forces. During periods of scarcity when fish supplies are low and prices skyrocket, sellers were observed prioritizing their regular restaurant clients over new buyers, even if the new buyers offered a higher immediate price. This ensures the restaurant owner has a consistent menu supply. Conversely, when the market is flooded with fish and prices drop effectively threatening the seller's income, restaurant owners demonstrated loyalty by continuing to purchase from their regular sellers rather than switching to cheaper competitors, and often buying slightly more than necessary to assist the seller. This mutual loyalty demonstrates that the network is maintained not just for maximizing short-term profit, but for ensuring the long-term continuity and stability of supply and demand for both actors.

Reciprocity is also clearly observed in the form of mutual aid that extends beyond the core activity of buying and selling fish. The research reveals instances where the relationship becomes fluid; restaurant owners may assist fish sellers by providing small loans for operational capital or handling emergency personal needs, while fish sellers often provide "bonuses" in the form of extra weight or higher quality cuts to the restaurant owners without additional charge. This reciprocal behavior strengthens the emotional bond between them and creates a sense of indebtedness that binds them closer. Additionally, the maintenance of this social capital is enforced by strict social sanctions. In the close-knit community of TPI Lappa, a breach of trust—such as failing to pay a debt or betraying a subscription partner—results in severe social consequences. The offender faces gossip and reputational damage, which leads to social exclusion and an inability to access the market network in the future. Thus, the economic success of the restaurant owners and fish sellers at TPI Lappa is directly and inextricably tied to their ability to maintain these social relations, proving that in this context, social capital is as valuable as financial capital.

## 5. Discussion

The empirical evidence gathered at the Fish Auction Place (TPI) Lappa demonstrates that the economic activities between restaurant business operators and fish sellers are not isolated transactions but are deeply embedded within a complex framework of social interaction. This finding validates the perspective of Niles et al. (2021), who argue that social interaction is dynamic and foundational to social life. In the context of TPI Lappa, the routine morning interactions, which include personal inquiries about family and health, are not merely phatic communication but serve as a mechanism for verifying the stability of the relationship. Analyzed through Herbert Blumer's Symbolic Interaction Theory, these interactions generate shared symbolic meanings. The terms "regular customer" (*langganan*) or "debt" (*bon*) are interpreted not as mere economic descriptors but as symbols of honor and recognized partnership. When a restaurant owner is allowed to take fish without immediate payment, it is a symbolic gesture that communicates, "you are part of our inner circle," distinguishing them from transient buyers. This symbolic interpretation allows business actors to predict behavior and reduce the anxiety associated with market uncertainty.

Furthermore, the durability of these relationships can be explained through Social Exchange Theory. As proposed by Coalter (2007), interactions persist because they offer mutual benefits. The relationship at TPI Lappa is characterized by a reciprocal exchange of resources that extends beyond the financial. Restaurant owners receive the benefit of flexible payment schedules and quality assurance, while fish sellers receive the benefit of guaranteed sales volume and customer loyalty during market slumps. This aligns with the study's findings where restaurant owners continued to buy from their regular sellers even when competitors offered lower prices. In this context, the "cost" of paying a slightly higher price is outweighed by the "reward" of long-term security and supply stability. Thus, the decision to remain loyal is a rational calculation where social value is weighed alongside economic value, confirming that the exchange is sustained because both parties perceive the relationship as profitable in the long run.

Central to this entire dynamic is the accumulation of social capital, which functions as the primary lubricant for these economic transactions. The widespread practice of the *bon* (debt) system at TPI Lappa is a practical application of Egamberdiev (2024) theory, which posits that social capital facilitates coordination and cooperation to achieve common goals. The trust established between the restaurant owners and fish sellers effectively replaces the need for formal contracts or legal enforcement, which

are often costly and impractical in traditional markets. This trust reduces transaction costs; sellers do not need to spend time vetting buyers, and buyers do not need to secure cash immediately. The findings indicate that this trust is not given blindly but is earned through repeated successful interactions, creating a robust network that acts as a safety net. This network facilitates the flow of information and resources, allowing both parties to navigate the volatility of the fishing industry—such as seasonal scarcity or price fluctuations—more effectively than they could as isolated individuals. Finally, these economic behaviors must be understood within the broader container of the local culture. The findings strongly support Glanville & Bienenstock (2009) assertion that economic activities in traditional societies are heavily influenced by cultural values. At TPI Lappa, the economic behavior is indistinguishable from the coastal culture of solidarity and kinship. The social sanctions observed—where violating a debt agreement leads to reputational ruin and ostracization—demonstrate that economic obligations are enforced by cultural norms rather than legal statutes. The willingness of restaurant owners to lend money to sellers for operational needs, and conversely, the sellers providing extra weight as bonuses, reflects a moral economy where maintaining harmony and mutual survival is prioritized over maximizing immediate profit. Therefore, the social capital at TPI Lappa is not just a business strategy but a cultural adaptation that enables restaurant owners and fish sellers to sustain their livelihoods amidst the inherent unpredictability of the maritime economy.

## 6. Conclusion

Based on the analysis and discussion presented, this study concludes that the relationship between restaurant business operators and fish sellers at TPI Lappa is a complex integration of economic interests and social bonding, where social capital functions as the fundamental pillar of business sustainability. The research demonstrates that social interaction in this context transcends mere transactional exchanges; it is a dynamic process involving symbolic communication and personal engagement that builds a shared understanding between the actors. This confirms that in the traditional market environment of TPI Lappa, economic activities are not distinct from social life but are deeply embedded within it, relying heavily on the quality of interpersonal relationships rather than formal legal structures. The core of this relationship is defined by high levels of trust and strong social networks, which serve as the primary forms of social capital. Trust is concretely manifested through the acceptance of the debt or "bon" system, which allows transactions to occur efficiently without immediate liquidity, thereby reducing transaction costs and facilitating operational flow for both parties. Meanwhile, the "langganan" or patronage network provides a crucial safety net against the inherent volatility of the fishing industry. This network ensures that fish sellers have a guaranteed market during surpluses and restaurant owners have secured supplies during shortages. These mechanisms validate that social capital acts as a risk mitigation strategy, providing stability that financial capital alone cannot offer.

Ultimately, the synergy between restaurant owners and fish sellers is sustained by a strong culture of reciprocity and local wisdom. The study highlights that these economic relations are governed by moral obligations and the principle of mutual benefit, where both parties actively maintain the relationship to secure long-term gains rather than exploiting short-term opportunities. The resilience of this economic ecosystem is rooted in local cultural values of solidarity and kinship, which enforce norms and sanction deviant behavior. Therefore, the possession of strong social capital is identified as a critical asset for the viability of businesses at TPI Lappa, proving that in this coastal community, the ability to nurture social relationships is directly proportional to economic success.

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\*Corresponding Author: Muhammad Syafri, E-mail: [muhammadsyafri@student.unm.ac.id](mailto:muhammadsyafri@student.unm.ac.id)

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