GOVERNING THE POWER OF NEOLIBERALISM GOVERNMENT WITH PEOPLE’S ECONOMICS IN THE WELFARE OF THE COMMUNITY (STUDY OF PEOPLE-OWNED SHOPS OR TOMIRA IN KULON PROGO DISTRICT, YOGYAKARTA SPECIAL REGION, INDONESIA)

a Gregorius Sahdan, b Ari Pradhanawati, c Teguh Yuwono, d Sutoro Eko Yunanto

ABSTRACT

Objective: The aims of this research are; (1) to explore governing the power of a neoliberal government with a people's economic orientation in improving the welfare of society; (2) to describe and explore the characteristics of a neoliberal government with a people's economic orientation in improving the welfare of society; (3) Exploring the regional government context of Kulon Progo Regency which provides space for neoliberal government practices with a people's economic orientation.

Theoretical framework: Barry Ferguson defines governing power as the government's actions related to the economy where the government has a monopoly over many activities, even though the government is only one competitor of economic activity apart from business actors and society (Ferguson 2020a). This research does not use the word governance but uses the word governing from Barry Ferguson, which places the term governing as the act of government monopolizing all forms of economic activity. According to David Harvey, neoliberalism is a form of government that supports the private property rights of each individual, the supremacy of law, free market institutions, and free trade (Hervey 2007). Rizal Ramli defines neoliberalism as an economic system and policy that prioritizes economic growth, not human development (Ramli 2014). Meanwhile, Kwik Kian Gie defines neoliberalism as an economic system that does not require government intervention (Gie 2022). In this research, neoliberal government with a people’s economic orientation can be seen from; (1) a regional government policy model that prioritizes economic growth, not human development (Ramli 2014); (2) a government that does not use power to empower society (Eko 2022); (3) a government that prioritizes market mechanisms rather than a small economy with limited capital (Mubyarto 2014); (4) a government that does not make the people the owner of economic sovereignty and only makes the people the object of the market; (5) a government that does not use its power to protect small communities from the onslaught of liberal capitalism. Meanwhile, a people’s economy is defined as an economic system that is more oriented towards human development such as community empowerment (Ramli 2014).

* PhD student in Social Science at the Faculty of Social and Political Sciences (FISIP) Diponegoro University, Yogyakarta, E-mail: gorissahdan@yahoo.com
b Professor at the Faculty of Social and Political Sciences (FISIP) Diponegoro University Semarang, E-mail: pradhanawatiari@rocketmail.com
c PhD in Government Science at the Faculty of Social and Political Sciences (FISIP) Diponegoro University Semarang, E-mail: teguhyuwono@gmail.com
d PhD in Government Science, Chairman and Lecturer of the Sekolah Tinggi Pembangunan Masyarakat Desa “APMD” Yogyakarta, E-mail: toroeko@yahoo.com
Method: This research is exploratory qualitative research with a case study research approach. Exploratory qualitative research is considered a form of research that does not just describe cases that occur but also explores how the cases occurred (Hardani at al 2020). The case raised in this research is a People's Owned Store or ToMiRa in Kulon Progo Regency, Special Region of Yogyakarta which was transformed by the local government from an Alfamart and Indomaret franchise store into ToMiRa. Data was collected using observation techniques, in-depth interviews, focus group discussions (FGD), and document searches related to ToMiRa policies and operationalization in the research field. Data analysis uses interpretive techniques, where the data is analyzed using triangulation techniques, namely the technique of combining observation data, interview data, and document data (Abdussamad 2021).

Results and conclusions: The results of this research found that; (1) the actions of the neoliberal government in Kulon Progo Regency, Special Region of Yogyakarta, are aimed at people's economics so that its expansion can be accepted by society at large; (2) in carrying out market expansion, neoliberalism which has a popular economic orientation uses the power of local governments to influence the community not to protest and reject ToMiRa; (3) the actions of the neoliberal government with a people's economic orientation, only using the jargon of People's Owned Stores (ToMiRa) as a strategy to gain public sympathy to obtain high electoral votes in the 2017 regional head elections; (4) regional government with a neoliberalism pattern with a popular economic direction prefers the route of economic growth rather than human development in improving the welfare of society.

Keywords: governing, power, government, neoliberalism, people's economy.
intervenção do governo (Gie 2022). Nesta pesquisa, o governo neoliberal com orientação econômica do povo pode ser visto de; (1) um modelo de política de governo regional que prioriza o crescimento econômico, não o desenvolvimento humano (Ramli 2014); (2) um governo que não usa o poder para empoderar a sociedade (Eko 2022); (3) um governo que prioriza os mecanismos de mercado em vez de uma pequena economia com capital limitado (Mubyarto 2014); (4) um governo que não faz o povo o proprietário da soberania econômica e só faz o povo o objeto do mercado; (5) um governo que não usa o seu poder para proteger as pequenas comunidades da investida do capitalismo liberal. Enquanto isso, a economia de um povo é definida como um sistema econômico mais orientado para o desenvolvimento humano, como o empoderamento da comunidade (Ramli 2014).

Método: Esta pesquisa é uma pesquisa qualitativa exploratória com uma abordagem de pesquisa de caso-estudo. A pesquisa qualitativa exploratória é considerada uma forma de pesquisa que não apenas descreve casos que ocorrem, mas também explora como os casos ocorreram (Hardani em al 2020). O caso levantado nesta pesquisa é uma loja de propriedade do povo ou ToMiRa em Kulon Progo Regency, Região Especial de Yogyakarta, que foi transformada pelo governo local de uma loja de franquias Alfamart e Indomaret em ToMiRa. Os dados foram coletados usando técnicas de observação, entrevistas aprofundadas, discussões de grupos focais (FGD) e pesquisas de documentos relacionadas às políticas do ToMiRa e operacionalização no campo da pesquisa. A análise de dados utiliza técnicas interpretativas, onde os dados são analisados utilizando técnicas de triangulação, nomeadamente a técnica de combinação de dados de observação, dados de entrevista e dados de documento (Abdussamad 2021).

Resultados e conclusões: Os resultados desta pesquisa constataram que: (1) as ações do governo neoliberal em Kulon Progo Regency, Região Especial de Yogyakarta, visam a economia das pessoas para que sua expansão possa ser aceita pela sociedade em geral; (2) na realização da expansão do mercado, o neoliberalismo que tem uma orientação econômica popular usa o poder dos governos locais para influenciar a comunidade a não protestar e rejeitar ToMiRa; (3) as ações do governo neoliberal com orientação econômica das pessoas, usando apenas o jargão das Lojas de Propriedade Popular (ToMiRa) como uma estratégia para ganhar a simpatia do público para obter altos votos eleitorais nas eleições regionais de 2017; (4) governo regional com um padrão de neoliberalismo com uma direção econômica popular prefere a rota do crescimento econômico em vez do desenvolvimento humano na melhoria do bem-estar da sociedade.

Palavras-chave: governar, poder, governo, neoliberalismo, economia do povo.

1 INTRODUCTION

This study sees that the People’s Owned Shop or ToMiRa in Kulon Progo Regency, is a form of action by the power of the neoliberal government with a people’s economic orientation. The regional government of Kulon Progo Regency, through Regional Regulation Number 11 of 2011 concerning the Protection of Small and Medium Enterprises, created a policy to transform franchise stores such as Indomaret and Alfamart into ToMiRa. There are quite a lot of studies about ToMiRa, but their studies look at it from the perspective of government-making and public policy. One of the ToMiRa studies that uses a public policy approach is the study by Rosi Indri Isryroh and Muhammad Eko Atmojo (2018). This study uses a governing of the power approach
which looks at acts of power from the aspects of power over, power to, power to empowerment, and power to relations.

In this study, power is not seen from its formation in forming government, but is seen from its implications for the welfare of society. Therefore, this study avoids using the term legitimacy as a basic formation for the formation of government power. As part of governing the power, ToMiRa should reflect Indonesia's ideological position in economic policy as a country that adheres to a people's economic ideology. But in practice, popular economic ideology is only used as a guide to pave the way for liberal capitalism in expanding markets and accumulating capital (Chandra 2011, p. 7).

Indonesia is neither a liberal country nor a socialist country. Indonesia is a country that adheres to the Pancasila ideology, where in the Pancasila ideology, the principles of economic policy should place the people as the holders of economic sovereignty, as regulated in the Fourth Principle of Pancasila; “Sovereignty Led by Wisdom in Representative Deliberations (Mubyarto 2014) and placing human development as the basic foundation of Indonesia's development, not economic growth (Ramli 2014). In its development, up to now, we have always found the fact that the economic policy practices pursued by the government more closely reflect neoliberal economic principles, where local governments are a tool of liberal capitalism to expand market expansion. This happened through the actions of local government authorities who changed Indomaret and Alfamart franchise stores into ToMiRa so that they could be accepted and not protested by the local community. This government action, on the one hand, makes investment easier and makes local government a tool of liberal capitalism.

As Ramli said, neoliberalism operating in Indonesia ignores human development as a constitutional mandate and prioritizes economic development. Therefore, it is not surprising that regional governments in Indonesia are trapped as agents of neoliberalism that ignore their function as important actors in the welfare of society. This is in line with what Hung Hung Pham said that the government sometimes does not realize that it has taken a role that undermines its contribution to development (Pham 2012).

In regional development, the contribution of government power is to strive to achieve people's welfare which is achieved by governing the power which encourages "human development" rather than just being trapped in economic development. This is in line with Fosu (2017) who said that the government is a very important actor in realizing community welfare. Many governments have fallen because of their inability to use
power for the welfare of the people (D'Aspremont 2011). On the other hand, many governments in developed countries have leaders who can use power to serve and improve the welfare of society. Acemoglu (2012) said that the progress of a nation really depends on the actions of government power (Acemoglu 2012). Studies conducted by Mochammad Rozikin and Ahmad Sofwani show that development carried out sustainably and equitably is a route to achieving community prosperity (Rozikin and Sofwani 2023). The story of the fall of authoritarian governments in the 1970s in Latin America, in the Philippines in 1985, and in Indonesia in 1998, is a story that illustrates how acts of power are not used to serve and prosper society but are used to enrich themselves, their families and their political cronies (Baderan 2014) (Zamroni 2007).

The neoliberalism government with a people's economic orientation in Kulon Progo Regency is present by carrying out the "Bela Beli Kulon Progo" program. The Kulon Progo Defense and Purchase Program was first initiated by Hasto Wardoyo while serving as Regent of Kulon Progo for the 2011-2016 and 2016-2019 periods. The Kulon Progo Defense and Purchase policy was taken based on the consideration that Kulon Progo Regency is a leaky district (Susilo 2021), where Wates, as the district capital, cannot supply the needs of people in peripheral areas. The Bela Beli Kulon Progo policy aims to realize economic independence by defending and buying local products. There are three production bases for economic independence developed through the; “Bela Beli Kulon Progo” policy or defend buy policy, including; Airku, Batik Geblek Renteng, and ToMiRa (Susilo 2021). The presence of ToMiRa is a form of economic neoliberalism with a people's economic orientation because ToMiRa exists to fulfill the demands of the central government regarding the implementation of the Investment Law No. 25 of 2007, where regional governments are required to guarantee investment certainty and make market expansion a success to accelerate economic growth to fulfill community welfare.

A study by Azka Abdi Amrurobbi and Moch Edward Trias found that ToMiRa has no implications for community welfare and is only used for electability purposes (Amrurobbi and Trias 2020). This research is the same as Amrurobbi and Trias who see that ToMiRa has not had any implications for people's welfare, but different from Amrurobbi and Trias, this research sees that ToMiRa was founded as a ploy by regional governments with a neo-liberalism pattern and people's economic orientation, as well as because of the regional government's fear of implementing the law. Capital Investment No.25 of 2007, which requires regional governments to provide guarantees for investment
in the region, is also a regional government strategy so that large investors continue to invest their capital in Kulon Progo Regency. The question raised in this research is how does the neoliberal government govern the power with a people's economic orientation in improving the welfare of society? This research itself aims to; (1) explore the governance of the power of a neoliberal government with a people's economic orientation in improving the welfare of society; (2) to describe and explore the characteristics of a neoliberal government with a people's economic orientation in improving the welfare of society; (3) Exploring the regional government context of Kulon Progo Regency which provides space for neoliberal government practices with a people's economic orientation. The focus of this research looks at acts of power from the functions of power as power over, power to, power to empowerment, and power to relations.

2 THEORETICAL FRAMEWORK

The term governing is often translated as "governing". Ogbujah and Columbus (2015) theoretical fine governing as a "government body" that works to meet the needs and demands of society through organizations or the state without discrimination or in the language of Ogbujah and Columbus:

“…. The emphasis is on governing bodies to meet the needs and legitimate demands of the masses within a state or organization without discrimination” (Ogbujah and Columbus 2015).

David Fasenfest (2010) defines governing as several controls or rules related to government functions. Fasenfest differentiates between the terms government, governing, and governance as follows; “Government: the office, authority or function of governing. Governing: having controller rule over oneself. Governance: the activity of governing” (Fasenfest 2010).

According to Fasenfest, government is an institution that has the authority or function to govern. Meanwhile, governing is a rule that controls the implementation of government functions. Barry Ferguson defines governing the power as the government's actions related to the economy where the government has a monopoly over many activities, even though the government is only one competitor of economic activity apart from business actors and society (Ferguson 2020a).

Apart from that, Ferguson also said that the government has challenges at the internal level related to combining services, and organizational structures, especially
when many work units are involved and provide services, then the government's activities or actions become more complex and require mutually supportive collaboration (Ferguson 2020). Governance itself is understood differently by many government scientists. Some understand it as a collaborative relationship between government, civil society, and the private sector and some understand it as government governance. Since the 1980s, and in line with public sector reforms (Bevir 2009), governance has become a key concept across the social sciences. However, the concept of governance is still very ambiguous and varies depending on the scientific discipline, approach, and area of study. which is taken into account. Governance comes from the Greek word “kybernan” which means to direct or steer a ship, but the concept was also used during the Roman Empire under the Latin word gubernare, which means to direct, rule, to govern and guide (Bevir and W Rhodes 2006). So based on the origin of the word, governing means direction or guidance carried out by the government.

This research does not use the word governance but uses the word governing from Barry Ferguson, which places the term governing as the act of government monopolizing all forms of economic activity. The use of the term governing is associated with power, so that it becomes governing of the power or acts of power, where there is not just one act of power but there are many variants. Therefore, in this research, the term governing of power is interpreted as all forms of acts of power related to public service reform, policy innovation, and creativity carried out by the government in exercising power. The following table describes in full the scope of the term governing of power. See table.

<table>
<thead>
<tr>
<th>Term</th>
<th>Scope of Understanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governing the Power</td>
<td>1. All forms of intervention carried out by the government (monopoly of power)</td>
</tr>
<tr>
<td></td>
<td>2. All forms of activities carried out by the government</td>
</tr>
<tr>
<td></td>
<td>3. All forms of innovation carried out by the government</td>
</tr>
<tr>
<td></td>
<td>4. All forms of policy taken by the government</td>
</tr>
<tr>
<td></td>
<td>5. All forms of decisions taken by the government</td>
</tr>
<tr>
<td></td>
<td>6. All forms of creativity and initiatives carried out by the government in public services.</td>
</tr>
</tbody>
</table>

Source; Ferguson (2020b); Ogbujah and Columbus (2015); Turner, Hulme, and McCourt (1997).

Governing the power itself is a keyword that differentiates a country or government from being more advanced compared to other governments. In the book A Centripetal Theory of Democratic Governance, John Gerring and Strom C. Thacker (Gerring and Thacker 2008) ask the question; “Why are some countries better governed?
than others? This question inspires that governance of the power or actions of different powers determine whether a government is managed well or badly. The governing power of the ruling government greatly determines the government's success in administering government and serving the interests of society.

In this research, ToMiRa is placed as a form of governing the power, where the governing of the power carried out by the government through ToMiRa, is not seen in the context of acts of power to empower the community, but in the form of regional government strategies to provide a safe path for investment inflow, and large capital in Kulon Progo Regency, as well as to show that the regional government "cares about the community". In other words, ToMira is a form of action by a neoliberal government with a people's economic orientation.

As a popular economic direction, the power used in ToMiRa is a form of power oriented towards economic growth or to serve the market, not power used for human development or community empowerment. This, of course, is contrary to the function of power mandated by the constitution, namely: "to educate the nation, promote general welfare, maintain world order and security. ToMiRa in this research is far from having a constitutional mandate to advance general welfare, but is only limited to advancing the interests of Indomaret and Alfamart investors who enter Kulon Progo Regency.

Neoliberalism or new liberalism cannot be separated from Adam Smith (1723-1790) who wrote the book; “The Wealth of Nations” and published it in 1776. Adam Smith wrote The Wealth of Nations as a criticism of corruptors and self-serving mercantilist economic practices. Mercantilist governments according to Adam Smith, gaining income from trade taxes and licensing monopolies, sought to protect themselves by producing expensive military equipment. This causes a "zero-sum game", where government profits are obtained at the expense of other parties (the private sector). Mercantilist rule is a form of deception and coercion on others. The basic idea of Adam Smith's criticism is that state wealth is not obtained from capital accumulation, but from citizen taxes obtained at the expense of other citizens (Smith 2007).

In the 1930s, the great depression occurred in Europe and America which gave rise to criticism of liberalism. To deal with the crisis caused by the government's liberalism policies, Keynes encouraged the government to intervene to overcome market failure (Gertz & Kharas, 2019). Keynes's proposal undermined the basic principle of laissez-faire liberalism, which assumes that markets can run themselves without
government intervention. Keynes recommended several recipes that were considered effective in overcoming the great depression, namely by encouraging government policies to control prices and control the amount of money in circulation, increasing demand at the macro level, and reducing unemployment and budget deficits.

Keynes said that if the government does not take appropriate action, unemployment will last a long time and depression will continue to be experienced in European and American countries (Mangkusuwondo 1987). In the era of Margaret Thatcher’s government in 1979 and Ronald Reagan’s government in 1981, the government returned liberalism to the principle of laissez-faire where the government was not allowed to intervene in market mechanisms or the market was allowed to run itself without government intervention. Ronald Reagan made several neoliberal policies, including; (1) reducing the government's role in the economy; (2) changing the composition of federal government spending through transfers to purchases of goods and services, especially military spending; (3) reducing tax rates gradually; (4) create a tax system index; (5) balancing the government budget until 1984 (Boskin 1987) (Komlos 2020, p.2). In 1982, Milton Friedman praised the Chilean government which, during the 1970s to 1980s, succeeded in deregulating the domestic market to make it more competitive and reducing the government's role to a more limited one through privatization policies, as well as limiting the government's role to reduce the budget deficit (Ostry 2016).

Neoliberalism in Chile is considered successful in expanding global markets which can reduce poverty, foreign direct investment is considered the best way to transfer technology and economic knowledge (Ostry, 2016, p. 38). Since the 1980s, neoliberalism has spread throughout the world with the idea of encouraging free trade, increasing private investment, and strengthening economic growth. In 1989, there was a "Washington Agreement" or Washington Consensus which formulated the conditions for the functioning of market mechanisms (Williamson 1990). Joseph E. Stiglitz in the book: "Washington Consensus New Direction towards Poverty" said that the policies recommended in the "Washington Agreement" were incomplete and sometimes even misguided.

Market mechanisms to function well require more than just a low inflation rate. According to Stiglitz, the market requires appropriate regulations in the financial sector, business competition policies, as well as policies that facilitate technology transfer and
encourage transparency. These fundamental things, according to Stiglitz, were ignored and not included in the Washington Consensus. According to Stiglitz, the criticism of the Washington Consensus which considers the government's role to be excessive in controlling the market is also unfounded, because what is happening is not an excessive government role, but rather the absence and absence of the government in regulating and controlling the market or a limited government role. Stiglitz takes an example related to Thailand. According to Stiglitz, the core of the problem occurring in Thailand is not the government's policy to direct investment in the real estate sector, but rather the absence of government regulations to control the rate of investment in that sector. The same thing happened in South Korea which faced the problem of overlanding of companies with high risks and weak corporate governance schemes (Stiglitz 2002).

According to Gertz & Kharas (2019), the term neoliberalism itself refers to four main concepts, namely; (1) neoliberalism as collective knowledge; (2) neoliberalism as an academic theory; (3) neoliberalism as a policy practice. Neoliberalism as collective knowledge is an intellectual and political movement to fight the expansion of communism and Nazism which developed widely in Europe in the 1900s. In 1947, Friedrich Hayek rallied public support to promote individual freedom as a strategy to counter communism and Nazism. The definition of neoliberalism as an academic theory refers to classical liberalism which emphasizes the absence of state interference in the economy. Meanwhile, the definition of neoliberalism as a policy practice refers to economic policies made by governments such as the Reagan Government in America and Thatcher in England in the 1970s which used various mantras such as privatization, deregulation, debureaucratization, individual freedom, and markets that should not be interfered with by the government (Gertz & Kharas, 2019).

According to David Harvey, neoliberalism is a form of government that supports the private property rights of each individual, the supremacy of law, free market institutions, and free trade (Hervey 2007). Rizal Ramli defines neoliberalism as an economic system and policy that prioritizes economic growth, not human development (Ramli 2014). Meanwhile, Kwik Kian Gie defines neoliberalism as an economic system that does not require government intervention (Gie 2022).

According to Chandra, neoliberalism developed in Indonesia during the New Order government which conflicted with the ideology of the Soekarno government which adhered to a nationalistic ideology (1945-1966) with a leftist orientation. Suharto's New
Order government (1967-1998), was a neoliberal government that adopted a laissez-faire approach to encourage economic growth and attract foreign investment. The New Order neoliberalism government built economic and trade cooperation through multinational cooperation institutions and organizations such as the Asia-Pacific Economic Cooperation, ASEAN, and the World Trade Organization (WTO) which showed the government's policy choices based on neoliberalism ideology and partly occurred due to the influence of the prescriptions of international financial institutions such as the IMF and World Bank (Chandra 2011, P.1).

The implications of Indonesia's entry into the neoliberalism regime gave rise to public protests and criticism of the New Order government as a government of foreign agents or a state that was an accomplice of the international neoliberalism regime. One of the prominent cases related to the rejection of foreign investment in Indonesia was the 1974 student demonstration called MALARI. MALARI or the Fifteenth January Catastrophe, was triggered by President Soeharto's policy of opening the taps to the flow of foreign investment or Foreign Direct Investment (PMA) as much as possible, especially investment from Japan. The Malari incident was exacerbated by the visit of the Japanese Prime Minister to Indonesia on 15-16 January 1974. The demonstration was aimed at criticizing the New Order government's policy of opening the Indonesian market to international capital. Students and the general public opposed the inflow of international capital, especially from Japan, and they ridiculed the New Order technocrats as foreign lackeys. The demonstration was also enlarged due to personal disagreements between Ali Moertopo and General Soemitro who was the Commander of Komkaptib (Caldwell 2011).

In its development, neoliberalism which entered Indonesia experienced its triumph in the 1970s to 1980s, especially when Indonesia experienced high economic growth supported by booming oil prices which provided large profits for the government (Wihardja 2015). In the 1970s and 1980s, thanks to oil prices and economic growth, the government issued various policies which included eradicating poverty. However, unfortunately, in 1998, the New Order government experienced a collapse triggered by the Asian economic crisis which resulted in a domestic economic crisis and influenced the downfall of Suharto, the President who ruled for 32 years in Indonesia (Retnowati 2018).
The IMF, World Bank, and global economic institutions gave Indonesia the recipes and mantras of neoliberalism that had been implemented under the Reagan government in America, including: economic restructuring, market privatization, deregulation, and debureaucratization of the economy (Komlos 2020). After 1998, neoliberalism developed widely in Indonesia under the SBY government with the issuance of Law No. 25 of 2007 concerning Capital Investment (Soesilowati 2009) which encouraged economic growth and the rate of investment in the regions. At the local level, the expansion of neoliberalism is triggered by the enormous needs of local governments related to international capital, economic growth, and high employment opportunities which are very useful for driving national economic development. In its implementation, the expansion of neoliberalism, which is based on market expansion and greater access to investment and economic growth, has encountered resistance from small communities guided by critical intellectual groups, especially regarding the impact of market expansion on local communities (Hiariej 2004).

Therefore, in several areas such as Kulon Progo Regency, DI Yogyakarta, the expansion of neoliberalism is covered by creating new branding that can reduce local community resistance and resistance to the expansion of the modern market (neoliberalism). Here, modern market expansion meets neoliberal government which ultimately creates a new local genus called ToMiRa. ToMiRa is a governmental recipe of neoliberalism that was deliberately created to continue to provide a big way for the expansion of international capitalism and markets and as criticized by critical intellectual circles, the expansion of capitalism only keeps local communities marginalized (ToMiRa makes them sleep from awareness of injustice) and makes Local communities continue to enjoy injustice in the form of poverty, unemployment and economic inequality created by neoliberalism.

In this research, neoliberalism is defined as a form of economy that does not require government intervention, encouraging market liberalization through increased investment and economic growth. Therefore, Alfamart and Indomaret are seen as economic forms that strengthen market liberalization, increase economic growth, and limit the role of government. However, so that Alfamart and Indomaret could be accepted and not protested by the public, Alfamart and Indomaret were changed to ToMiRa. This change, of course, is only a direction so that the public does not reject the presence of large investors investing in the Kulon Progo Regency market.
Karl Max as quoted by Eric Hiariej (2004) said that capitalism accumulates profits using oppression (Hiariej 2004) and neoliberal government perpetuates oppression and injustice more innovatively, allowing massive market expansion, without thinking about the resilience of small economies. In this research, neoliberalism is also defined as an economic system that prioritizes economic growth over human development as stated by Rizal Ramli. Therefore, ToMiRa in this research is seen as an act of neoliberal government power that prioritizes economic growth over human development. Referring to Kwik Kian Gie, ToMiRa is a form of governing the power that does not want government interference but uses government power as a guide to be accepted by society.

The people's economy is not a liberal capitalist economy and is not a communist economy. According to Mubyarto, the people's economy is a Pancasila economy which emphasizes the 4th principle, namely; "A people led by wisdom, wisdom in deliberation/representation" (Mubyarto 2014). According to Johan Purnama, people's economics is an economic terminology introduced by Mohammad Hatta after Dutch colonialism as a form of struggle to create economic conditions that provide social class equality in society and make indigenous people the masters of their own country (Purnama 2014).

The concept of people's economy is clearly stated in Article 33 of the 1945 Constitution, namely; (1) the economy is structured as a joint venture based on the principle of kinship; (2) branches of production that are important for the state and which influence the lives of many people (must) be controlled by the state; (3) The land, water and all the wealth contained therein are controlled by the state and used as much as possible for the prosperity of the people. Apart from that, the state has a very large role in the people's economic system. This is stated in article 27 paragraph (2) which says that; "every citizen has the right to work and a decent living"; and 34 of the 1945 Constitution which states that; “The poor and neglected children are looked after by the state.

Therefore, in the Indonesian economic system, the role of government is very important. In matters related to the economy, for example, the state has a role, among others; (1) developing cooperatives; (2) developing BUMN; (3) ensuring the utilization of the earth, water and the natural resources contained therein for the greatest prosperity of the people; (4) fulfill the rights of every citizen to obtain work and a decent living; (5) caring for the poor and neglected children (Purnama 2014). Rizal Ramli defines a people's economy as an economic system that fights against the capitalist economic system. As a
form of resistance to capitalist economics, people's economics does not use economic growth indicators, but looks at human development indicators such as; (1) nutritional status; (2) health status as seen from life expectancy; (3) employment status sufficient for living needs; (4) prevalence of disease and so on (Ramli 2014). In the study conducted by Ari Ardiansyah, Amir Ilias, and Haeranah, poverty alleviation initiatives carried out by the government were hampered by various regulations that compared one with another. This makes it difficult to realize community welfare (Ardiansyah et al, 2023).

From these various views, it can be said that people's economics is an economic system or form that places the people as the source of economic sovereignty, makes the people the masters of their own country, and places the people as the pillars of national development. In other words, a people's economy is a form of economy that is based on people's sovereignty, not market sovereignty. In a people's economic system, the state plays a very large role as a representative of people's sovereignty. However, in practice, the realization of a people's economy is often sidelined due to various factors, including; (1) the people's economy was considered a form of communist economy and the New Order government felt itself to be anti-communist, so that the people's economy was not given room to develop in Indonesia (Mubyarto 2014); (2) the entry of liberal capitalist economists into the New Order and post-New Order governments, causing economic policy in Indonesia to adopt market interests more than the interests of the people; (3) globalization and trade liberalization that have occurred widely in various countries, including in Indonesia since the 2000s, have caused economic policies prepared by the government to adopt more market interests; (4) the presence of a government that prioritizes investment and economic growth as the main jargon in national development, not a government that prioritizes human development or what Rizal Ramli calls the human development index as the main jargon of people's economics (Mubyarto, Ramli and Purnama 2014).

In this research, people's economics is defined as a form of economy that prioritizes human development rather than economic growth, prioritizing government intervention to assist and assist small economies. People's economy is also a form of economy that makes the people the owners of economic sovereignty, not the market. Therefore, in this research, ToMiRa is not seen as a form of people's economy, because ToMiRa is contrary to the principles of people's economics, namely; (1) ToMiRa prioritizes economic growth, not human development, as seen in Regional Regulation
No. 11 of 2011 concerning Protection of Traditional Markets; (2) In ToMiRa, the people do not have economic sovereignty, because besides they do not have capital in ToMiRa, they also do not have control over the development of ToMiRa's business.

Since the 1930s, neoliberalism has developed throughout the world, including in Indonesia. Neoliberalism after "Thacherism and Reaganism" attempted to cut and eliminate the government's role in economic management through various policies such as deregulation, debureaucratization, privatization and so on which returned the government's traditional role as "night watchman" (Priyono 2003, pages 57-58).

In his highly critical attack on neoliberal government, Adam Smith said that the state should not do what the private sector would do better. The main function of the state according to Adam Smith is to guarantee the security of people and their property (Grieve 2014). A neoliberal government is a government that creates safe conditions for market expansion, distributes authority between government and non-government, creates pro-market regulations, and encourages social innovation that guarantees individual responsibility and freedom (Tennberg et al. 2014). However, in practice in Indonesia, the neoliberal government uses a popular economic direction as shown by various government policies, such as those related to investment policies which are opposed by the community through various demonstrations that have occurred in Indonesia.

In this research, neoliberal government with a people's economic orientation can be seen from; (1) a regional government policy model that prioritizes economic growth, not human development (Ramli 2014); (2) a government that does not use power to empower society (Eko 2022); (3) a government that prioritizes market mechanisms rather than a small economy with limited capital (Mubyarto 2014); (4) a government that does not make the people the owner of economic sovereignty and only makes the people the object of the market; (5) a government that does not use its power to protect small communities from the onslaught of liberal capitalism.

Therefore, this research sees that ToMiRa is a form of action of neoliberal government power with a people's economic orientation with the characteristics; (1) ToMiRa is more of a market tool to increase economic growth and ignores human development; (2) Governing of the government's power through ToMiRa, not to empower the community, but to ensure investment security and ToMiRa business growth; (3) ToMiRa is a form of strategy for regional government power to guarantee investment from rejection and attacks from the community; (4) The people do not have economic
sovereignty in ToMiRa, because ToMiRa capital is an investment by large investors; (5) In ToMiRa, the government is the main guarantor of its continuity as mandated by Law No. 25 of 2007 concerning Capital Investment.

3 METHODS

This research uses an exploratory qualitative method with a case study type of research. Data was collected based on documents, interviews, and Focus Group Discussions (FGD) with policy actors, academics, regional heads, deputy regional heads, members of the People's Representative Council (DPRD), and community leaders around ToMiRa. Data analysis uses interpretative techniques, where interpretation is based on documents, interviews, observations, and the results of FGDs.

4 RESULTS AND DISCUSSION

This research aims to answer the research question, how does the governing of the power of a neoliberal government with a people's economic orientation in Kulon Progo Regency improve the welfare of society? To answer this question, this research focuses on the actions of power over, power to, power to empowerment, and power to relations. The following are findings and discussions related to governing the power in Kulon Progo Regency.

4.1 GOVERNING THE POWER OVER

The entry of Indomaret and Alfamat into Kulon Progo Regency is part of the mandate of Law No. 25 of 2007 concerning Capital Investment. In Article 3 paragraph 2 of Law No. 25 of 2007, it is stated that the implementation of capital investment aims to increase economic growth, create jobs, increase sustainable economic development, encourage the improvement of the people's economy, improve community welfare, and so on. On the other hand, in Article 4 paragraph 2 it is said that the government is given the obligation to; provide equal treatment for investment, guarantee legal certainty, and business certainty for all investors, and provide protection for micro, small, and medium businesses and cooperatives.

As Hasto Wardoyo said, the emergence of Law No. 25 of 2007 concerning Capital Investment has provided a breath of fresh air for franchise stores, namely Indomaret and Alfamat, to expand in Kulon Progo Regency. Because of this, the regional government
of Kulon Progo Regency, led by Hasto Wardoyo, took the initiative to use power to save the small economy in Kulon Progo Regency by transforming Indomaret and Alfamart into ToMiRa. This rescue action was carried out based on the consideration that the presence of franchise stores and modern stores would sooner or later kill the small economy that was developing in Kulon Progo Regency.

Hasto Wardoyo said that before ToMiRa existed, the economic trading system and modern shops in Kulon Progo Regency were controlled by upper-right capitalist groups who had large amounts of capital. Hasto admits that the upper right capitalist group has a big role in increasing the economic growth and welfare of the people of Kulon Progo Regency. However, its extensive expansion with large capital support can actually have a downfall effect on small economies and local products that have been started by the community.

Therefore, the idea and initiative that requires the transformation of Indomaret and Alfamart into ToMiRa is part of an effort to save a small economy and is part of an effort to reduce economic inequality in Kulon Progo Regency. If we look at the economic growth of Kulon Progo Regency which continued to increase from 2015 to 2019, the rescue action or use of power over power carried out by Hasto Wardoyo, has an impact on economic improvement as shown by data on the increase in economic growth of Kulon Progo Regency from 2015 to with 2019. Three sectors contributed quite a lot to economic growth in Kulon Progo Regency in 2015-2019, namely the construction sector, agriculture-fishing-forestry, and the wholesale and retail trade sector. However, based on data from the 2015 to 2019 Kulon Progo Regency Macroeconomic Analysis Report, Kulon Progo Regency's economic growth was very rapid after the construction of the Yogyakarta International Airport (YIA) which occurred in the 2015-2019 period. Before the construction of the Yogyakarta International Airport, the economic growth of Kulon Progo Regency experienced fluctuations with increases that were not considered to affect improving community welfare. The following graph illustrates the achievement of increased economic growth in Kulon Progo Regency from 2015 to 2019. View Chart.
Apart from increasing economic growth since 2015, Kulon Progo Regency has also experienced an increase in human development. The following data shows the increase in the percentage of human development in Kulon Progo Regency from 2015 to 2019. See graph.

If we look at the figures for economic growth and human development, the act of power over by transforming Indomaret and Alfamart into ToMiRa has had an impact on increasing economic growth and increasing the human development index. However, if we look at the economic structure of Kulon Progo Regency as a whole, the power over action in saving the small economy has not been completely successful. This can be seen
from the data, where the largest contributor to Kulon Progo Regency's economic growth comes from three sectors, namely; construction reached 19.95%, agriculture, forestry, and fisheries reached 15.86% and wholesale and retail trade reached 12.36%. For details, see the following graph.

![Chart- Growth in the Economic Structure of Kulon Progo Regency 2019](image)


Based on this graph, we can say that small economic rescue actions through ToMiRa have not had an impact on community welfare, economic growth and human development, because the economic support and driving structure of Kulon Progo Regency since 2015, still depends on three main sectors, namely, construction, agriculture-forestry-fisheries and in the wholesale and retail trade sectors. This analysis is strengthened by the fact that the poor population in Kulon Progo Regency has not experienced a significant decline and is still above the percentage of total poor population in D.I. Yogyakarta and nationally. For details, see the following graph.
If we look at the poverty data in Kulon Progo Regency, it is clear that the presence of ToMiRa does not reflect its contribution to reducing the poverty rate in Kulon Progo Regency, which is lower than the poverty rate in D.I. Yogyakarta and the national poverty rate which in 2019 only reached 9.41%, far below the poverty rate for Kulon Progo Regency which reached 17.39%. Poverty in Kulon Progo Regency is caused by inflation, unemployment and the lack of entrepreneurial skills in local communities. The presence of YIA and ToMiRa airports should be an entry point to reduce poverty and improve community welfare. However, so far, there is no data that shows an increase in people's welfare, apart from road construction and modern hotel infrastructure which continues to flood Kulon Progo Regency in line with the construction of the YIA airport. If we look at the data on the contribution of the dominant GRDP sectors, it is clear that agriculture, trade and the processing industry make dominant contributions to the prices prevailing in Kulon Progo Regency for the 2017-2019 period. For details, see the following table.

Table - Contribution of Dominant Sectors to GRDP on the Basis of Passing Prices
Kulon Progo Regency compared with other regencies/cities at D.I. Yogyakarta 2017-2019

<table>
<thead>
<tr>
<th>Regency/City</th>
<th>Dominant Sector</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Kulon Progo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Agriculture</td>
<td></td>
<td>19.04</td>
</tr>
<tr>
<td>2. Trading</td>
<td></td>
<td>13.94</td>
</tr>
<tr>
<td>3. Processing Industry</td>
<td></td>
<td>12.41</td>
</tr>
<tr>
<td>Bantul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Processing Industry</td>
<td></td>
<td>15.25</td>
</tr>
<tr>
<td>2. Agriculture</td>
<td></td>
<td>15.85</td>
</tr>
<tr>
<td>3. Provision of accommodation and food and drink</td>
<td></td>
<td>11.73</td>
</tr>
<tr>
<td>Gunungkidul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Agriculture</td>
<td></td>
<td>24.47</td>
</tr>
<tr>
<td>2. Construction</td>
<td></td>
<td>9.65</td>
</tr>
</tbody>
</table>
4.2 GOVERNING THE POWER TO

Power to's actions can be seen from the presence of ToMiRa which aims to protect the small economy so that local communities not only become consumers of the expansion of modern stores such as Indomaret and Alfamart, but small communities can become owners and managers of modern stores that have been acquired by local community cooperatives. ToMiRa. The act of power to local government is related to; (a) limiting outside investment; and (b) strengthening local community entrepreneurship. The transformation of Indomaret and Alfamart into ToMiRa, as stated by Hasto Wardoyo, does not aim to limit investment originating from outside, because it can be considered by the local government to be against Law No. 25 of 2007 concerning Investment. On the contrary, this action is carried out so that investment originating from outside in the form of franchise shops, retail shops, and modern shops, can collaborate and provide opportunities for local communities to take part in ownership and join hands or collaborate with investors from outside in order to strengthen the economic structure of Kulon Progo.

In addition, the action to transform Indomaret and Alfamart into ToMiRa aims to protect small economies and strengthen local communities access to state capital ownership. However, this action can be considered a discriminatory action that violates Law No. 25 of 2007 concerning Capital Investment, as regulated in Article 6 which states that; "The government provides the same treatment to all investors from any country who carry out investment activities in Indonesia in accordance with the provisions of laws and regulations."

On the other hand, the action of transforming Indomaret and Alfamart into ToMiRa can be considered an action against central government policy as regulated in Article 7 of Law No. 25 of 2007 concerning Capital Investment which states that: "the government will not take action to nationalize or take over investment ownership rights. capital, except by law”. What Hasto Wardoyo did was part of a nationalization or
localization effort for modern shops or franchise shops to find loopholes in Law NO.25 of 2007 concerning Capital Investment. The locality model implemented by Hasto Wardoyo is by giving a new identity or new naming to Indomaret and Alfamart with the name ToMiRa. This was done by Hasto Wardoyo to strengthen small economies against large oligarchic groups of investors who could weaken the bargaining and competitiveness of small economies against large economies. Hasto Wardoyo's actions are quite reasonable considering that the economic structure of Kulon Progo Regency is currently dominated by the construction sector which reaches 19.95% and wholesale trade reaches 12.36% (Macroeconomic Analysis of Kulon Progo Regency, 2020). Actions to transform Indomaret and Alfamart, strengthened by Regional Regulation No.11 of 2011 which was later revised to become Regional Regulation No.16 of 2021 concerning Protection, Empowerment, and Arrangement of People's Markets, as well as Arrangement of Shopping Centers and Supermarkets, were also carried out in order to close the opportunity for Indomaret to exist and Alfamart which is close to the traditional market. Indomaret and Alfamart, as regulated in the Regional Regulation, are at least 1,000 meters from traditional markets and only operate in sub-district cities, they are not allowed to enter villages. This restrictive policy can be seen as a protectionist policy that is contrary to the basic principles of liberal capitalism related to the "free market". This action received criticism from society itself, who said that in the current free market era, society as consumers has a perspective that cannot be fully controlled by the government. People as consumers are free to buy the products they need in both modern and traditional markets. They are smart enough to choose products they like, no matter whether the product is sold in traditional or modern markets. Some consumers believe that traditional markets and modern markets have their consumers (Supryanto, 4 October 2023). Therefore, the act of limiting modern markets to traditional markets is considered a wrong action and is not based on the interests of the local community. The following table illustrates some of the implications of Hasto Wardoyo's actions toward the transformation of Indomaret and Alfamart into ToMiRa.

In matters related to the transformation of Indomaret and Alfamart, there are several impacts, including: (1) changing the name of Indomaret and Alfamart to ToMiRa is not an easy thing for the owners of Indomaret and Alfamart. They imposed strict conditions for changing the name, including that the local community cooperative already had sufficient capital to carry out the takeover; (2) from the management, marketing and
capital aspects, Indomaret and Alfamart see this as a business secret that cannot be shared with other business partners; (3) from the network and cooperation aspect, Indomaret and Alfamart could collaborate with cooperatives and cooperatives were given the mandate to carry out business cooperation with Indomaret and Alfamart partners, but the limited reach of cooperatives in the local area of Kulon Progo Regency causes business cooperation networks to be expensive for local community cooperatives; (4) from the aspect of MSME products and local products, the quality standards and demands imposed by Indomaret and Alfamart make it difficult for them to sell on ToMiRa.

### 4.3 GOVERNING THE POWER TO EMPOWERMENT

Analysis of power to empowerment is related to local government actions in terms of; (1) community empowerment carried out by the regional government so that they have knowledge and skills related to the Alfamart and Indomaret businesses; (2) community empowerment by the local government so that people have access to ToMiRa to sell their local products; (3) community empowerment by local governments related to packaging and sales strategies for local products in ToMiRa; (4) community empowerment when the cooperative takes over ToMiRa.

Empowerment actions carried out by local governments for small economies and ToMiRa, are carried out with various activities, including; (1) developing a start-up or startup economy; (2) driving the people's economy through cooperatives; (3) creating e-warung; (4) promoting “defending and buying Kulon Progo”; (5) making ToMiRa an economic icon of Kulon Progo Regency; (6) acquiring Indomaret and Alfamart to become ToMiRa; (7) strengthening community business capital; (8) create innovations that move community businesses; (9) train the public in providing fast and accurate services; (10) improving traditional markets; (11) providing support and access to banking credit; (12) training on product standardization and product packaging improvements; (13) facilitating local product exhibitions; (14) and so on.

However, unfortunately, as stated by Jaka Tri Widaryanta, the various empowerment activities carried out by the regional government are seasonal, not on target, not sustainable, and not well integrated, resulting in empowerment that is truly beneficial for local communities. Jaka Tri Widaryanta's criticism is quite reasonable, considering that up to now the poverty rate in Kulon Progo Regency is still very high. This means that empowerment activities carried out by local governments have not had a
direct effect on improving the community's economy. As presented in previous data, the
poverty rate in Kulon Progo Regency, which reached 16.39%, is still higher compared to
the Regency/City in D.I. Yogyakarta where the poverty percentage only reached 11.34%
and the national average, which only reached 9.57% in 2022.

If we look at the data on the development of the percentage of poverty in Kulon
Progo Regency as presented in the following graph, it is clear that there has been a
significant decrease in the percentage of poverty since 2013, but this decrease is mostly
contributed by the construction sector which absorbs a lot of labor in Kulon Progo
Regency and also implications of the construction of YIA airport. For details, see the
following graph.

So far, many agencies and institutions have been directly involved in efforts to
provide empowerment to the community, including; (1) Department of Cooperatives and
UMKM, both at the provincial and district levels; (2) Chamber of Commerce and Industry
or KADIN; (3) Department of Trade and Industry and so on. The Cooperative Service
itself, as stated by Iffah Mufidati, has done a lot of empowerment for ToMiRa and other
MSME players, such as entrepreneurship training, online marketing training and financial
management training. Kadin itself carries out empowerment in the form of; training to
increase the competitiveness of MSMEs, access to capital, shop management, basic food
supplies, encouraging inclusive economic sustainability, empowering grocery stalls and
so on. However, so far, Indomaret and Alfamart have not directly empowered MSMEs
and even in relation to ToMiRa, the take over policy of Indomaret and Alfamart has not
been accompanied by empowerment of the cooperatives that manage ToMiRa as
regulated in MoU No.46/KP/HKM/2016.
MoU between the Regent of Kulon Progo and the Director of PT. Indomarco Prismatama contains; (1) each building ToMiRa partners with a cooperative in Kulon Progo Regency; (2) increasing the human resource capacity of Cooperative administrators and MSME actors; (3) partnerships, among others; production, marketing and capital; (4) collaborate to accommodate and market local MSME products. The thing that is highlighted by empowerment that has not been carried out by Indomaret and Alfamart is the point related to; “Increasing the human resource capacity of cooperative administrators and MSME actors. On January 31 2019, the regional government, represented by Hasto Wardoyo as Regent of Kulon Progo Regency, launched 2 shops owned by Kulon Progo, abbreviated as ToMiKu (e-Warung 46) as a result of an agreement with PT. Sumber Alfaria Trijaya Tbk (Alfamart) on September 26 2018 at the Permata Kuningan Building, South Jakarta.

The result of the meeting was the holding of several activities with the aim of empowering MSMEs, Cooperatives and Joint Business Groups in Kulon Progo Regency in collaboration with Alfamart. On that occasion an MoU was signed between; (1) MoU between the Regent of Kulon Progo and the Director of Sumber Alfaria Trijaya Tbk (Alfamart); (2) ToMiRa Development Cooperation Agreement between the UKM Cooperative Service and Alfamart; (3) ToMiku Cooperation Agreement (e-Warung 46) between the Social Service, UKM Cooperative Service and Alfamart; (4) AirKu Marketing Cooperation Agreement between PDAM Tirta Binangun and Alfamart; (5) Review and inauguration of ToMiKu (e-Warung 46) by the Regent of Kulo Progo, the Director of Alfamart along with the Head of OPD of Kulon Progo Regency. On this occasion, the regional government disbursed funds amounting to 1.5 million rupiah which were distributed to e-Waring or ToMiKu as many as 2 ToMiKu, each of which received 750 thousand rupiah. These funds are assistance from Alfamart to strengthen the human resource capacity of e-Warung managers (https://koperasi.kulonprogokab.go.id).

There is also an opinion that ToMiRa itself is a real form and embodiment of local government action in empowering the community, as can be seen from the opinions of Fajar Gegana, Hasto Wardoyo, and Sutedjo, among others; (1) the presence of ToMiRa is a real form of community empowerment action; (2) ToMiRa is part of efforts to strengthen the community's ability to be self-reliant in small economies which can stem capital flight during times of crisis; (3) ToMiRa as the embryo of people's economic power; (4) ToMiRa is the entry point to strengthening people's welfare.
Therefore, the act of power to empowerment has not fully provided skills and increased human resources, especially for local products and MSMEs. Empowerment carried out by the regional government through the Cooperatives and UMKM department still has problems related to how to ensure that UMKM products have barcodes and can be sold at the same price as traditional markets and other small stalls. On the other hand, there are also problems related to empowerment carried out by local governments, where of the 40 thousand MSME products as stated by Sutedjo, only 19 products can be sold on ToMiRa. The large number of MSME products that cannot enter ToMiRa occurs because demands regarding product packaging, product quality, product permits and so on are difficult for MSMEs to fulfill. MSMEs also experience difficulties related to the payment mechanism carried out by ToMiRa, where the money from sales is given after the MSME product is sold on ToMiRa. ToMiRa here only replaces products that have been sold well. As stated by John Gerring (2008), ToMiRa has strong political authority, because it is supported by government policy which provides space for Indomaret and Alfamart to trade in Kulon Progo Regency, but this strong political authority is not supported by high economic democratic inclusion. Because of this, ToMiRa seems to be a local government jargon for carrying out economic empowerment, but community participation and access to it are very limited. The low inclusion of economic democracy through ToMiRa is demonstrated by the fact that local communities, represented by MSMEs, are not involved in management, marketing and capital of businesses that are monopolized by ToMiRa owners.

4.4 GOVERNING THE POWER TO RELATION

The regional government carried out power to relations through ToMiRa with various strategies, including: (1) building partnerships with Alfamart and Indomaret entrepreneurs; (2) Building partnerships with cooperatives and MSMEs; (3) building partnerships with local product businesses; (4) building partnerships with suppliers or product suppliers to ToMiRa.

In building a partnership with Indomaret and Alfamart, the regional government through Regent Hasto Wardoyo made an MoU with Indomaret and Alfamart which was then followed by an SPK between the regional government and Indomaret and Alfamart. The MoU with Indomaret and Alfamart is an implementation of the mandate of Regional
Regulation No. 11 of 2011 concerning the Protection and Empowerment of Traditional Markets and the Arrangement of Shopping Centers and Modern Stores.

In Article 14 letter "c" of the Regional Regulation it is stated that; "Modern shops with franchise status and/or branch status must not be less than 1,000 meters from traditional markets." The implication is that modern minimarkets that are less than 1,000 meters from traditional markets are partnered with ToMiRa. The MoU contains, among other things; (1) each building ToMiRa partners with a cooperative in Kulon Progo Regency; (2) increasing the human resource capacity of Cooperative administrators and MSME actors; (3) partnerships, among others; production, and marketing and capital; (4) collaborate to accommodate and market local MSME products. The implications of the MoU include that; (1) ToMiRa partners with cooperatives; and (2) partnerships with cooperatives are carried out in the form of production, marketing, and capital. However, as said by Muhammad Dalduri, so far the cooperative has not been made a partner by Indomaret and Alfamart, but cooperatives that already have sufficient capital can take over Indomaret and Alfamart to become ToMiRa. In other words, ToMiRa's partnership with Indomaret and Alfamart in the form of production, marketing, and capital, can only occur if Indomaret and Alfamart have been acquired by the Cooperative to become ToMiRa.

In building partnerships with cooperatives and MSMEs, Indomaret and Alfamart as regulated in the MoU between the Regent and the Director of Indomaret and Alfamart are carried out specifically to strengthen production, marketing and capital for MSMEs. Regarding the partnership production, it is hoped that Indomaret and Alfamart, which are transforming into ToMiRa, will provide access to local products to be marketed and distributed through ToMiRa, Indomaret and Alfamart. The local product marketing partnership model is regulated with the stipulation that 20% of the goods sold and displayed at Indomaret and Alfamart are local products. Meanwhile, the capital partnership model stipulates that the collaboration with Indomaret and Alfamart will continue until the cooperative has sufficient capital to take over ToMiRa. To date, only 8 ToMiRas have been acquired by cooperatives that have sufficient capital. The following table describes cooperatives that have taken over Indomaret and Alfamart.
Table 2 - List of ToMiRa Results of Acquisition by Cooperatives

<table>
<thead>
<tr>
<th>No.</th>
<th>Name ToMiRa</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ToMiRa Jombokan</td>
<td>Koperasi KSU Binangun Prima</td>
</tr>
<tr>
<td>2.</td>
<td>ToMiRa Dekso</td>
<td>Koperasi Koppaneka</td>
</tr>
<tr>
<td>3.</td>
<td>ToMiRa Bendungan</td>
<td>Koperasi KSU BMT Giri Makmur</td>
</tr>
<tr>
<td>4.</td>
<td>ToMiRa Temon</td>
<td>Koperasi KSU Trijata</td>
</tr>
<tr>
<td>5.</td>
<td>ToMiRa Lendah</td>
<td>Koperasi KSU Legowo</td>
</tr>
<tr>
<td>6.</td>
<td>ToMiRa Proliman</td>
<td>Koperasi KPN Sumber Rejeki</td>
</tr>
<tr>
<td>7.</td>
<td>ToMiRa Kijosuta</td>
<td>Koperasi KUD Gangsar</td>
</tr>
<tr>
<td>8.</td>
<td>ToMiRa Temon</td>
<td>Koperasi KUD Harapan</td>
</tr>
</tbody>
</table>


The number of cooperatives in Kulon Progo Regency has reached 210 cooperatives. The most numerous cooperatives are in Wates District, there are 49 cooperatives and in Pengasih District there are 32 cooperatives. However, not all cooperatives have sufficient capital to take over Indomaret and Alfamart and not all cooperatives can build partnerships with Indomaret and Alfamart. Based on information from Muhammad Dalduri, a cooperative has a minimum of 500 million or more to take over Indomaret and Alfamart. The partnership model between ToMiRa and Indomaret and Alfamart creates dependency because; (1) marketing management is still handled by Indomaret and Alfamart; (2) employee recruitment is still carried out by Indomaret and Alfamart; and (3) the supply of goods sold at ToMiRa is still held by Alfamart and Indomaret. This happens because; (1) ToMiRa cannot yet market products without the assistance of Indomaret and Alfamart; (2) ToMiRa does not yet have a network to the product industry for goods sold at ToMiRa other than the local community; (3) Indomaret and Alfamart have a large market share throughout Indonesia so they can control lower prices.

Concerning power to relations, it can be said that the partnership built by the regional government with Indomaret and Alfamart is a partnership model characterized by high political authority with low democratic inclusion. This partnership model started with the creation of regional regulations by the regional government, followed by an MoU with Indomaret and Alfamart which was then accompanied by no supervision in its implementation. In partnership with this high political authority, Indomaret and Alfamart felt themselves forced by the regional government to transition to ToMiRa. This means that management, marketing and capital are still controlled and held by Alfamart and Indomaret. Low democratic inclusion in the regional government partnership with Indomaret and Alfamat, is indicated by the participation of MSMEs in selling products on ToMiRa which does not reach 1% of the agreed 20% display of goods on ToMiRa of...
MSME products that do not yet have barcodes so that it seems that there is discrimination in the sale of industrial products with UMKM products on ToMiRa and so on. The following table describes the relationship model between the regional government and Indomaret and Alfamart in Kulon Progo Regency, where the relationship is characterized by high political authority with low democratic inclusion. For details, see the following table.

<table>
<thead>
<tr>
<th>No.</th>
<th>Political Authority</th>
<th>Democratic Inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>There is a regional regulation that regulates Indomaret and Alfamart's collaboration with ToMiRa</td>
<td>There is no community participation in the management, marketing, and capital of ToMiRa</td>
</tr>
<tr>
<td>2.</td>
<td>There is an MoU between Indomaret and Alfamart and the Regional Government</td>
<td>Minimal MSME products sold at ToMiRa (less than 1%)</td>
</tr>
<tr>
<td>3.</td>
<td>There is an SPK between the Regional Government and the Department of Cooperatives and MSMEs</td>
<td>ToMiRa profits are not shared with the community directly.</td>
</tr>
</tbody>
</table>

Source: Interview results with Jaka Tri Widaryanta (2023).

5 CONCLUSION AND IMPLICATION

This research concludes that the acts of power of the regional government of Kulon Progo Regency led by Regent Hasto Wardoyo for the 2011-2019 period are a form of acts of power or governing of the power of a neoliberalism government with a people's economic orientation. This is indicated by Hasto Wardoyo's motivation to accept investment from outside as regulated in Law No. 25 of 2007 concerning Capital Investment and to make Indomaret and Alfamart an opportunity to strengthen the local economy or MSMEs. Hasto Wardoyo accepted Indomaret and Alfamart to invest in Kulon Progo Regency on the condition that Indomaret and Alfamart could transform themselves into ToMiRa. Hasto Wardoyo's idea to integrate Indomaret and Alfamart into ToMiRa, which was taken over by a local cooperative, was motivated by Hasto's desire for "upper right capitalists to meet and be able to strengthen lower right capitalists" in Kulon Progo Regency. The idea of integrating Indomaret and Alfamart into ToMiRa was not motivated to strengthen the local economy solely so that it could survive amid capitalist economic expansion such as Indomaret and Alfamart but was also motivated by Hasto Wardoyo's desire to make the idea of ToMiRa and Bela Beli Kulon Progo a tool. cheap campaign to win the Pilkada. This is proven by the victory of Hasto Wardoyo who was paired with H. Sutedjo in the 2017 Kulon Progo Regency Pilkada. In the 2017 Kulon
Progo Regency Pilkada, Hasto Wardoyo succeeded in winning up to 85%. An absolute victory like this, as stated by Hasto Wardoyo himself, is a victory achieved thanks to ideas; "ToMiRa and Bela Beli Kulon Progo" is seen as an idea that supports small economies, marginalized people, and poor communities who are victims of the expansion of investment into the region. The dissemination of the ToMiRa idea was the main driver of Hasto Wardoyo's victory in the 2017 regional elections and it was acknowledged that the ToMiRa idea model reduced the occurrence of money politics in the regional elections.

As Rizal Ramli said, the fundamental difference between a capitalist economy and a people's economy lies in its orientation. A capital economy is oriented towards economic growth, while a people's economy is oriented towards human development. Likewise with ToMiRa, whose presence is more oriented towards capital accumulation and profits, rather than human development. This can be seen from the aspects of management, marketing, capital, employee recruitment, network, and distribution of goods which are still controlled and controlled by Indomaret and Alfamart. The takeover carried out by local cooperatives has not been fully accompanied by transitions and transfers of management, marketing, capital, employee recruitment, distribution, and marketing networks which are completely carried out by cooperatives. The monopolistic actions of management, marketing, and so on carried out by Indomaret and Alfamart make it difficult for the presence of Indomaret and Alfamart to contribute to the welfare of local communities, apart from providing capital accumulation and profits for their owners.

Here it can be concluded that the governing power of the neoliberal government has a people's economic orientation, only uses the people as a jargon, just a name, is false, and motivated by electoral interests to win the regional elections. This is proven by Hasto Wardoyo's absolute victory in the 2017 regional elections which achieved 85% (220,643 votes) compared to his opponent Zuhadmono Azhari-Iriani Prasmastuti who only obtained 15% (36,874) of the valid votes which reached 257,517 votes). Hasto Wardoyo achieved this absolute victory in line with increasing public confidence in ToMiRa's idea which is attractive to voters. Concerning the acts of power over, power to, power to empower, and power to relations, ToMiRa is only an icon of the acts of neoliberalism with a people's economic orientation as shown by the fact that the transformation of management, marketing, and capital of Indomaret and Alfamart did not occur as the main
idea of ToMiRa for the welfare of society. Until now, ToMiRa's management, marketing, employee recruitment, capital, and network are still controlled by Indomaret and Alfamart. Even the MoU of the Regional Government of Kulon Progo Regency which regulates that 20% of goods sales at ToMiRa are goods produced by MSMEs has not been realized because the demands on packaging, quality, and product standards are difficult for MSMEs to meet.

ToMiRa is philosophically a reflection of the actions of power that favor the welfare of local communities. However, unfortunately, this act of power is trapped in making ToMiRa a new capitalist economic model that threatens the existence of MSMEs, because almost all the products sold in it are modern industrial and manufacturing products that are supported by management, marketing, capital, and an extensive distribution network. Thus, this research concludes that ToMiRa as the governing power of the Regional Government of Kulon Progo Regency in improving the welfare of society has not yet shown results in the form of power over, power to, power to empowerment, and power to relations.

ACKNOWLEDGMENTS

This research is Gregorius Sahdan's dissertation research at Diponegoro University Semarang, Indonesia. Therefore, we would like to express our gratitude to the Sekolah Tinggi Pembangunan Masyarakat Desa “APMD” which provided financial support for the completion of Gregorius Sahdan's studies, so that he could complete his dissertation research well. Thank you to the Sekolah Tinggi Pembangunan Masyarakat Desa “APMD” and all parties who contributed to this research.
REFERENCES


