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The Local Government of Kulon Progo Regency Innovation in Subduing Capitalism through Community Empowerment

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ABSTRACT

Kulon Progo Regency is one of the districts that has many innovations, one of which is community empowerment in collaboration with a modern shop abbreviated as the shop name owned by the people (tomira). This research was motivated by the achievements of the Kulon Progo district government in carrying out development and innovation in the development of the Kulon Progo region by fully involving the Kulon Progo district community through community empowerment. This initiative was taken by the government of Kulon Progo Regency to improve community empowerment and protect the people of Kulon Progo Regency from various economic threats. Considering that in the past few years many modern shops have mushroomed in each district/city, so this is what makes Kulon Progo Regency move quickly to empower the community by collaborating between MSMEs or cooperative with modern shops. This study uses a qualitative method which case study approach. With the empowerment that has been done, the original products of Kulon Progo Regency or local products can be traded in modern stores so that local products in Kulon Progo Regency can compete with national products in these modern stores. The existence of such cooperation will indirectly improve the image of Kulon Progo Regency and lift the original products of Kulon Progo Regency. The lifting of the original products of Kulon Progo Regency will have a positive impact on the community, where indirectly the economy of the community will increase so that there will be prosperity for the community.

Keywords: Innovation, cooperative, traditional store, modern stores, community empowerment

ABSTRAK

Kabupaten Kulon Progo adalah salah satu kabupaten yang memiliki banyak inovasi, salah satunya adalah pemberdayaan masyarakat bekerja sama dengan toko modern disingkat nama toko yang dimiliki oleh masyarakat (tomira). Penelitian ini dilatarbelakangi oleh pencapaian pemerintah kabupaten Kulon Progo dalam melakukan pengembangan dan inovasi dalam pengembangan wilayah Kulon Progo dengan melibatkan sepenuhnya masyarakat kabupaten Kulon Progo melalui pemberdayaan masyarakat. Inisiatif ini diambil oleh pemerintah Kabupaten Kulon Progo untuk meningkatkan pemberdayaan masyarakat dan melindungi masyarakat Kabupaten Kulon Progo dari berbagai ancaman ekonomi. Menimbang bahwa dalam beberapa tahun terakhir banyak toko-toko modern telah menjamur di setiap kabupaten/kota, jadi inilah yang membuat Kabupaten Kulon Progo bergerak cepat untuk memberdayakan masyarakat dengan berkolaborasi antara UMKM atau bekerjasama dengan toko-toko modern. Penelitian ini menggunakan metode penelitian kualitatif dengan pendekatan studi kasus, dengan metode yang digunakan adalah dokumentasi. Dengan pemberdayaan yang telah dilakukan, produk asli Kabupaten Kulon Progo atau produk lokal dapat diperdagangkan di toko modern sehingga produk lokal di Kabupaten Kulon Progo dapat bersaing dengan produk nasional di toko modern ini. Adanya kerjasama tersebut secara tidak langsung akan meningkatkan citra Kabupaten Kulon Progo dan mengangkat produk asli Kabupaten Kulon Progo. Pencabutan produk asli Kabupaten

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Kulon Progo akan berdampak positif bagi masyarakat, di mana secara tidak langsung perekonomian masyarakat akan meningkat sehingga akan ada kesejahteraan bagi masyarakat.

Kata Kunci: Inovasi, koperasi, toko tradisional, toko modern, pemberdayaan masyarakat

INTRODUCTION

The phenomenon of the emergence of the retail market in Indonesia is a small part of the existence of trade liberalization in Indonesia, the existence of multinational corporate (MNC) companies which have been operating in many ways has led to competition among industry players (Sidauruk, Apriani, & Hamudy, 2019). Competition in theory will be able to provide benefits to consumers because they will benefit from price competition so that they will get the lowest price (Tang, Chen, & Chiu, 2018). But on the other hand, competition will also result in practices that lead to unfair competition. Monopolistic practices on a number of goods or markets will also have a huge impact on the sustainability of the business carried out by small communities who depend on small businesses for their livelihoods, especially if the retail has penetrated into the countryside (Kusnadi, 2013).

Seeing the state of the growth of modern shops which are controlled by a certain company, it is clear that it has an effect or impact on the local economy in the village which is mushroomed by modern shops, in this case the ones that will be directly affected by the growth of outlets both Indomaret and Alfamart are grocery stores and traditional markets. The presence of networked minimarkets such as Indomaret and Alfamart has created unrest in the village community which has led to the emergence of various rejections in DIY. However, it is different from Kulon Progo. The regent has a strategy to protect local traders, namely by "*bela-beli Kulon Progo*" so called "*Tomira*". *Tomira* is a model of local economic empowerment with modern packaging. *Tomira* is one of the solutions to the mushrooming of modern minimarkets in various regions and cities in Indonesia. Imagine, if not properly regulated, it is not uncommon to erode the local economy of the local community (Pandaya, 2018, p. 14). To save the local Micro, Small and Medium Enterprises (MSMEs), the Kulon Progo Regency local government initiated a program called the People's Owned Store (*Tomira*). With the tagline *Bela Beli Kulon Progo*, the Kulon Progo Regency local government-issued Local Regulation No. 11 of 2011 which regulates the protection of traditional markets and the arrangement of shopping centers and modern shops. The consequence of this regulation is that all modern minimarkets with a distance of fewer than 1,000 meters must make a choice, namely not being extended, closed or taken over by a cooperative (Pandaya, 2018).

With the rise of Modern Stores networking in the midst of the community and even near the traditional markets, challenging unrest in the competition of traditional markets, traditional grocery stores and also local products Kulon Progo (Kristianto, 2015, p. 25).

One strategy to bring profits in the economic sector in a region is to do Regional Branding. Regional branding that is managed well by an area can bring benefits in various fields. This is because Regional branding is attached to the regions that use it and as a promotional area. One area that uses Regional branding is Kulon Progo district. Kulon Progo has the potential of high economic value from products produced in terms of markets, industry, mining, tourism, and agriculture (Susilo & Rijanta, 2017, p. 5). This makes Kulon Progo be introduced to the wider community through the Regional branding of the Bela Beli Kulon Progo movement. Regional branding of the Bela Beli Kulon Progo movement is carried out with the aim of attracting tourists both domestic and foreign tourists and triggering the economy both from natural resources and human resources in the Kulon Progo district (Fatimah, 2019, p. 129). It suggests that both present day stores and conventional markets are expected to help network advancement so the nearby government ought to oversee them carefully (Suroso, 2016, p. 190).

Bela Beli Kulon Progo was originally a commitment to the independence of the Kulon Progo district government in the context of alleviating poverty by the Regent of Kulon Progo. Which eventually became a promotional media to provide information, education, and facilitate the wider community, especially the Kulon Progo community. In moving the commitment to independence, through a government policy that has been planned by the Kulon Progo district government has now been running for the last 3 years. Precisely since March 25, 2013, the *Bela Beli* Kulon Progo declaration was formalized, carrying the vision and mission of the Kulon Progo Regent Dr. Hasto Wardoyo, Sp. OG (K) is a form of creative ideas and innovation, in developing employment opportunities from the economic sector and the development of natural and human resources to increase people's purchasing power of local regional products.

Reporting from the People's Sovereignty of Jogja through *Bela Beli* program, Kulon Progo Regent, dr. Hasto Wardoyo Sp. OG (K) won the 'Buy Indonesia Cakra Buana Banji Award 2016' which was held by the Indonesian Islamic Business Forum (IIBF) at the Smesco Building in Jakarta in 2016. It shows that an innovative program supporting local products can help improve regional prosperity and economic improvement and the importance of government communication are key to the success of the program implemented so that what becomes a problem of poverty in Kulon Progo Regency can be reduced. Regional economic independence in Kulon Progo Regency is a form of an economic protection policy that is based on the development and empowerment of MSMEs. Regional economic development is one of the objectives used by local governments to improve the level of economic community based on territorial and environmental resources in a sustainable manner. Regional economic independence in Kulon Progo Regency has dimensions of work performance measurement, namely human resources, institutions, cooperation, and spatial construction. This effort is used to optimize human resources and natural resources for the common interest (Susilo, E. G. B., & Rijanta, 2017, p. 9).

Kulon Progo was chosen as the target of the study because the first, the poverty index in Kulon Progo was the smallest compared to 4 districts/cities in Yogyakarta Province. Second, the Regent of Kulon Progo has the initiative and innovation in order to improve welfare in his district. Thus, the results of this study can provide an overview of what the Kulon Progo district government has done in tackling poverty and can also be a best practice in other regions. Kulon Progo Regency Government is one of the regional governments that have a policy on protecting community empowerment or protecting people's economy. This was triggered by the number of modern shop establishments in Kulon Progo Regency. Considering this will greatly threaten MSME products as well as traditional markets in Kulon Progo Regency. Therefore, the Kulon Progo Regency government made a very appropriate step to explore cooperation, especially for modern shops that were located near the traditional market area. This is as expressed by (Triyono, 2014, p. 114) that to maintain the welfare of the community there needs to be community development in which there is a relationship between the company, government, and community to improve the welfare of the citizens. In addition, the collaboration was carried out because of the rise of modern shops in Kulon Progo Regency, so that there was a concern for the sustainability of traditional markets, grocery stores, and SMEs products in Kulon Progo Regency. Some of the steps taken by the Kulon Progo Regency local government are one form of the spirit of development in the Kulon Progo Regency which is focused on "Bela-Beli Kulon Progo". With this reflection of development, it will greatly help the community and also the region in improving the economy and welfare of the community.

Therefore, the purpose of this study is to analyze how the Kulon Progo government strategy is to keep local traders from dying and losing their competitiveness with modern shops such as Alfamart and Indomaret. The paper divides into several parts, part one provides the introduction why this research is conduct, part two presents the literature review and related study, next part come out with the method that used to examine the topic idea, fourth part provides the finding and discussion, and the last section presents the conclusion.

LITERATURE REVIEW AND RELATED STUDIES

Discussing about the rural political economy in Indonesia does take into account the scope of a country's public policy. It is this state influence to the village which is carried out officially which has many implications for the major changes associated with village independence in assisting its own economy. Broadly speaking, villages are socio-economic entities that are independent and equally free from state regulation (Jati, 2014). The development of various economic facilities, of course, requires spaces which in reality are increasingly narrow (Clark & Record, 2017). Finally, what is being sacrificed is the

traditional open space, all of which are essentially reserved for all citizens of a community in the region. Thus, the traditional open space has become a commodity. The notion of traditional open space as public space has shifted to become private property. The global economic order has declared the boundaries of open space as public property so that the traditional open space market was born (François, Niculescu, Badini, & Diarra, 2009). It must be admitted, an area that is truly complex and intricate, because it does not want to rule the clash between commercial and humanist approaches (Schedelik, Nölke, Mertens, & May, 2020). The spatial layout of an area is actually a cultural embodiment of a community with a variety of characters, traits, uniqueness, uniqueness, and personality. Therefore, first of all, what needs to be implemented is the culture of various communities and the influence of the values, norms, lifestyles, activities and symbols they adhere to on spatial planning in the region.

There are several points that can be learned (Schedelik et al., 2020), which are: 1) The process of material economic redistribution itself runs in a balanced and equal manner by utilizing social capital among fellow citizens; 2) The distribution of funds in rural areas which is still micro means minimal economic inequality occurs. That is what we can see from the development of local wisdom in regulating the redistribution of the economy in villages such as granaries, banjars, and so on. This means that with this local wisdom, the economy is regulated by the countryside in a fair and balanced manner (Wood & Schnyder, 2020). As for the potential natural resources owned by the village itself, it actually has the potential for large economic resources in the form of customary exploitation (Brata, 2016). In the regime of regulating economic resources at the rural level, it is known as the term common pool resources (Brata, 2016). This term itself is defined as a form of joint management carried out by each member of the community. In this co-management mechanism, each member of the community has his own means of ensuring that his own natural resources are evenly distributed (Clark & Record, 2017).

The active role shown by the community in ensuring the availability of the community is an effective way of securing economic resources in a balanced manner. Common Pool Resources are actually part of the three regimes for regulating economic resources, such as the state way and the market way (Dowdle, 2020). The state way itself puts forward the existence of state regulation in the redistribution arrangement. Regulations by the state itself can be more flexible and carried out simultaneously and gradually (Smiley & Emerson, 2020). This is the characteristic of a country to carry out a single monopoly on these public services. This means that the state consecrates the role of the state itself in making these arrangements. That is what makes the role of society itself then isolated in this arena because the economy itself is included in the domain of the state in full and absolute terms (Wood & Schnyder, 2020). The community no longer has any other choice

but to choose the management of resources controlled by the state (Geraghty, n.d.). The market as the second actor in regulating economic resources does provide many options for people to choose, but it is also adjusted to the rationality of prices that are so high (Smiley & Emerson, 2020).

The existence of massive and large resource ownership owned by the village has become a polemic. State domination has been running in the village before stepping on globalization in the current 21st century. The autonomy and independence of the village as an independent entity were then eroded by state influence. At least this can be indicated by the pattern of penetration undertaken by the state to subordinate it as an object of state regulation (Geraghty, n.d.). This, practice of state hegemony is not new in state-village relations. It can actually be seen going back to the time of Dutch colonialism.

Discussing the basic economic theory of capitalism, the figure of Adam Smith with his famous book "The Wealth of Nations" can be said to be the father of capitalism. In discussing the basic theory of capitalism is by knowing the basic characteristics of the system, namely maximizing individual profit through economic activities intended to help the public interest. The meaning of capitalism for the public interest, by Adam Smith is illustrated very clearly: what we hope for our dinner does not come from the miracle of the butcher, the cook or the baker, but from what they respect and pursue as an interest. personal. In fact, he does not think for the progress of the public even he does not know how much he has a share in advancing it. In fact, what he respects and pursues is his own gain.

The basic idea of capitalism was also conveyed by Max Weber, by saying that capitalism is a system of commodity production based on wage labor to be sold and traded for profit (Bellanca, 2013). For Weber, the more basic characteristic of capitalism is the exchange system in the market (Mayer, Sager, Kaufmann, & Warland, 2017). The system in this market has a logical consequence in the form of rationalization which refers to how to get the maximum profit. Currency exchange rates have created a very sharp exchange rate instability which in turn led to the creation of a very large era in the world of money (Moseley, n.d.). It has no existence outside the global economy and it is the main money markets.

Referring to the Decree of the Minister of Finance of the Republic of Indonesia No.01/KM.12/2001, capitalization is defined as the determination of the book-keeping value of all expenditures to acquire fixed assets until they are ready for use, to increase capacity or efficiency and/or extend their technical life in order to add values. these assets. Observing the Ministerial Decree above, capitalization is a way for capitalism to launch its objectives by accumulating capital or transforming use value into exchange value. Therefore, it can be said that capitalization is a form of transformation from a relationship that was originally free from tradable things to a relationship that is commercial in nature (Geraghty,

n.d.). It is in this connection that the assumption arises that globalization is seen as capitalism in its most recent form because strong and rich countries will practically control the world economy and small countries are increasingly powerless because they are unable to compete (Wood & Schnyder, 2020).

RESEARCH METHOD

In accordance with the problem that the author will examine in this study is the Kulon Progo Regency Government Innovation in Realizing Community Empowerment Through Modern Stores, the method used is using qualitative through case study approach. a contextual investigation is an exploration technique including a very close, top to bottom, and definite assessment of a specific case (Baxter, Susan Jack, & Jack, 2008). Moreover, Data collection techniques are carried out by looking for primary data and theoretical references that are relevant to the case or problem found. Additional, reference theory and documents relating to the topic obtained by means of research literature studies serve as the basic foundation and main tool for research practice in the middle of the field in this study (Dodge, 2011). This research was conducted with the object of the government and the Kulon Progo community. Data search was conducted from July 2019 until March 2020.

FINDINGS AND DISCUSSION

The Strategies in Subduing Capitalism Through *Tomira* (*Bela-beli Kulon Progo*)

Tomira is a model of local economic empowerment with modern packaging. *Tomira* is one of the solutions to the mushrooming of modern minimarkets in various regions and cities in Indonesia. Imagine, if not properly regulated, it is not uncommon to erode the local economy of the local community (Pandaya, 2018, p. 14). To save the local Micro, Small and Medium Enterprises (MSMEs), the Kulon Progo Regency local government initiated a program called the People's Owned Store (*Tomira*). With the tagline *Bela Beli Kulon Progo*, the Kulon Progo Regency local government-issued Local Regulation No. 11 of 2011 which regulates the protection of traditional markets and the arrangement of shopping centers and modern shops. The consequence of this regulation is that all modern minimarkets with a distance of fewer than 1,000 meters must make a choice, namely not being extended, closed or taken over by a cooperative (Pandaya, 2018). Local governments involve cooperatives as collaborative partners in the development of MSMEs. Local government efforts to encourage cooperatives to play an active role in acquiring franchise stores show that cooperatives play an important role in the pillars of people's economy. The cooperative operates as the main marketing chain to encourage the people of Kulon Progo to buy local specialty products. Ownership that is fully managed by the cooperative makes the original products of the region as superior products. The improvement and

improvement of cooperation partners with cooperatives in Kulon Progo Regency is the establishment of People's Owned Stores (*TOMIRA*). The establishment of *TOMIRA* is the efforts of the regional government in protecting and empowering MSMEs based on regent regulations.

TOMIRA is used as the main alternative in increasing regional product marketing and driving cooperatives in Kulon Progo. The intervention of the local government to create an independent creative economy must be accompanied by public awareness, especially the younger generation to love the special products made in their own regions. Kulon Progo Regency's economic independence is evident from the Kulon Progo defense and buying program. The role of regional local product protection from modern shop products is used as economic development empowerment in Kulon Progo Regency. The Community-Owned Shop or traditional store that so called (*TOMIRA*) policy program is a product development model for cooperatives and small and medium businesses. The economic independence of a region is also very dependent on the ability of its cooperative penetration. In addition, the independence of the cooperative-based economy has contributed to the Gross Domestic Product (GDP) which has reached 4.48% (Wardoyo, 2016) Based on Regional Regulation Number 11 of 2011 Article 1 explains that the arrangement is an effort of the regional government to regulate and organize the existence of traditional markets, shopping centers, and modern shops in a location so that they develop harmoniously, mutually beneficial, and mutually reinforcing.

The wisdom of the local government is to move cooperatives as partners in the acquisition of the establishment of networked shops such as *Alfamart* and *Indomaret*. The ability of the Kulon Progo regional government to issue a policy to protect the creative economy is directed towards the community. This strategy embodies economic independence and serves as a benchmark for the success of the economic welfare of the people.

Table 1. Growth of ToMiRa in Kulon Progo Regency

Stage	Year	Growth/Progress
Stage I	2014	3 ToMiRa
Stage II	2015	4 ToMiRa
Stage III	2016	3 ToMiRa
Stage IV	2017	3 ToMiRa
Stage V	2018	3 ToMiRa

Source: Kulon Progo Regency Cooperative Office 2018.

From Table 1. it can be seen that from 2014 until nowadays *Tomira* has experienced a very significant increase where every year there has been an increase in 3 acquisition processes and also partnership cooperation with cooperatives in Kulon Progo. As for the growth of *TOMIRA* (People-Owned Shop) from the results of taking over and partnership cooperation conducted with SMEs in Kulon Progo. Next is the development of *Tomira* results take over and partnership collaboration.

Tomira or People's Shop is a modern shop owned by cooperatives in Kulon Progo Regency. The cooperative was chosen as a form of business actor originating from the community, so that it is expected that people's welfare can be improved through the *Tomira* modern store, considering that the cooperative in running the *Tomira* modern store also involves the Kulon Progo Regency SMEs as suppliers of local products, this is in line with the principles and objectives of empowerment as stipulated in Chapter II of Kulon Progo Regent's Regulation Number 63 Year 2010. *Tomira* supports poverty alleviation programs in Kulon Progo Regency in the form of profit allowance for SME mentoring activities and community social assistance, providing home renovations, scholarships for the underprivileged, and other social activities. This partnership is a form of implementation of Law no. 20 concerning SMEs, article 25 No. 1 concerning the Government, Regional Government, Business World, and the Community facilitates, supports, and stimulates partnership activities that need, trust, support and benefit each other.

Bela Beli Kulon Progo program so called *Tomira* is significant in increasing people's income. The community can benefit 10 percent through *Tomira* (Gustaman, 2019, p. 166). This can be interpreted that the *Bela Beli Kulon Progo* program can help the government in poverty alleviation in Kulon Progo Regency. However, in the implementation of the program, of course, it has inhibiting and driving factors in implementing the program. And of course, the Kulon Progo government has a strategy in its implementation. This fosters the spirit of the business of batik artisans. In Lendah Subdistrict, Ngentakrejo and Gulu Rejo villages, which are famous for batik tourism villages, now have 50 batik entrepreneurs with craftsmen between 20-40 artisans per businessman. This has increased dramatically, before the batik business was only around 2 entrepreneurs, increasing to 50 entrepreneurs. While the strategies undertaken to subduing capitalism through *Tomira* are as follows:

1. The lack of spirit in this community will continue to be improved by various approaches, both formal and informal. A formal approach can be made with Regent Regulations, Regent Instructions, Regent Circular Letters, and other technical instruments. The informal approach can be in the form of social institutions at the Regency, village, pedukuhan, RT/RW, dasawisma to families.

2. Always increase the promotion of Kulon Progo products indirectly or directly in conventional and modern ways. It can also be included in government events.
3. Encourage innovation and increase the quality and trust of the community. With guidance and assistance with related SKPD.

The increase in community income through the Bela-Buy and Buy Kulon Progo program in this study is also supported by previous research (Kristianto, 2015, p. 26) which states that the Bela-Beli Kulon Progo program is able to answer the needs of the Kalibawang community. They are able to find opportunities to improve their standard of living with the resources owned by the majority of farmers and agricultural land owned. Meanwhile, according to (Pratiwi, 2016) *bela-beli* Kulon Progo program is one of the Kulon Progo Regency government innovation programs to support the development of SMEs. Promotion policy is carried out by providing HR training assistance, capital access assistance, equipment assistance, and marketing assistance. According to (Asshofi, 2016, p. 41) based on the results of his research, there was a positive impact with the *bela-beli* Kulon Progo program from the declaration of 2013 to 2016, namely an increase in the people's economy and an increase in sales of regional production.

This is stated in Regional Regulation No. 11 of 2011 was formulated by the Kulon Progo Regency government by observing the rapid development of the trade sector and MSMEs. The increasing development of trade and SME economic activities is a logical consequence of the liberalization of trade segmentation which is now also taking place in Kulon Progo Regency (Rasbin, 2018). The development and phenomenon of the establishment of supermarkets have brought such a huge impact on society from the socio-economic side. The development and the establishment of supermarkets can potentially cause a negative effect on the existence and sustainability of small traders and businesses in traditional markets (Wardoyo, 2016, p. 21). The segmentation of community needs in Kulon Progo Regency prefers modern stores to traditional markets. The ability of traditional traders to reach urban consumers is a marketing alternative to limiting modern stores in Kulon Progo (Susilo & Rijanta, 2017, p. 7). The business strategy used to optimize the performance of SMEs is by opening up the industrialization area. This area reaches all community creative business units that are involutive in nature. Efforts to develop a creative economy in an area aim to empower the use of local products for the needs of local residents.

Implementation of the Kulon Progo Regent policy, Dr. H. Hasto Wardoyo, Sp. OG (K) to elevate local MSME products as pillars of people's economy and economic independence (Hadiyati, 2011, p. 8). This is done to foster a business climate for cooperatives and MSMEs. The cooperative is used as a benchmark for the development and economic growth of the community, especially in meeting other economic needs (Hadiyati, 2011, p. 11). This

partnership as implementation and law. 20 of 2008 concerning SMEs which states that local government, the business world, and the community facilitate and support the people's economy.

The Implementation of Local Regulation No. 11 of 2011 can encourage the entrepreneurial spirit of the Kulon Progo community for local businesses. Protection of local governments in limiting the establishment of Alfamart and Indomaret is a form of preventive action from the government to its people (Wuryandani & Meilani, 2013, p. 110). The Kulon Progo government provides protection to traditional markets and businesses within it. This effort is a follow up to the local government in limiting the amount and regulating the distance between traditional markets and modern shopping centers such as Alfamart and Indomaret. *Toko Milik Rakyat* or *TOMIRA* has independence as a local partner of the Kulon Progo Regency government. Local partners from the modern store Alfamart and Indomaret are cooperative business entities and SMEs in Kulon Progo Regency. Cooperation of modern stores with regional local partners is carried out thoroughly, optimally, and continues through the development of a conducive business climate. The local government of Kulon Progo has formed a cooperative partner with the Cooperative to acquire the Alfamart and Indomaret modern stores as People's Owned Stores (*TOMIRA*). As stated by local regulation policy objective No. 11/2011 to empower the community economy in partnership with the Management of Business, Micro, Small and Medium Enterprises (SMEs) Cooperatives (Hadiyati, 2011). Thus, it can become the minimarket of the people of Kulon Progo. The realization is by building a creative economic protection policy for People's Owned Stores (*TOMIRA*). Thus can be said that involving community participation through empowering SMEs will have an impact on the development of the local economy as well (Rifa'i, 2013, p. 135).

The Cooperation and Collaboration in Managing *Tomira*

The management and collaboration of People's Owned Stores (*TOMIRA*) with cooperative business entities have a positive impact on the development of Cooperatives, MSMEs, and Communities in Kulon Progo Regency (Kristianto, 2015, p. 25). The impact of the cooperation in managing the People's Owned Store (*TOMIRA*) with the Cooperative business entity in terms of the development of the Cooperative is that there is a pride that the Cooperative has its own Modern Shop (*TOMIRA*). Stimulate the growth of a variety of new products with standards (PIRT, IPR, Halal MUI, etc.). Cooperative members actively participate in developing their products (Kristianto, 2015, p. 23). Cooperatives can have a modern shop that does not have to be with large capital. As a training ground for the management of Modern shops for the village community. Increasing the amount of money in circulation in the regions and increasing SHU for Cooperative Members. The impact of collaboration in managing the People's Owned Store (*TOMIRA*) with the

Cooperative business entity in terms of the development of MSMEs is that there is a transfer of knowledge, skills from large business actors in business management. Improving the quality of local products so they can enter the Modern store (Wuryandani & Meilani, 2013, p. 111). Market expansion is included in TOMIRA. Whereas the cooperation in managing the People's Owned Store (*TOMIRA*) with the Cooperative business entity for the community is that the community further increases the trust in local products.

In addition, *TOMIRA* business model is also different, that is Monopsony is no longer in manufacturing management, meaning there are other suppliers, which are no longer called Royalty payments, other than that the use of store management Operational Systems, supply chain management, and merchandise costs and management fee (Rasbin, 2018). Apart from the supply of manufactured goods, there is also the supply and sale of local products of the UMKM Kulon Progo Regency and the status of suppliers of local products is equivalent to that of the manufacturing companies, which are both as suppliers. with a parallelized system, the hope is the formation of quality and marketable local products in the Modern market.

This partnership is a form of implementation of Law no. 20 concerning SMEs, article 25 No. 1 concerning the Government, Local Government, Business World, and the Community facilitates, supports, and stimulates partnership activities that need each other, trust, strengthen and benefit. The Kulon Progo regional government policy involves cooperatives as collaborative partners in the development of SMEs (Rasbin, 2018) Local government efforts to encourage cooperatives to play an active role in acquiring franchise stores show that cooperatives play an important role in the pillars of a people's economy. The cooperative operates as the main marketing chain to encourage the Kulon Progo citizens to produce local specialty products. The principal issue in territorial improvement lie in its accentuation on advancement strategies that depend on the uniqueness of the district concerned (endogenous improvement) by utilizing the capability of HR, institutional, and nearby physical assets. This direction will prompt taking activities exuding from the region in the advancement procedure to make new business openings and invigorate financial movement (Sitompul & Sumule, 2016).

Table 2. Progress of ToMiRa from Results of Take Over and Partnership Collaboration

No.	Name of <i>Tomira</i>	Managing by	TOTAL UMKM (Member)	Profit (Rupiah)
1	Jomboan	KSU Binangun Prima	12	9.000.000
2	Dekso	Koperasi Koppaneka	20	14.703.000
3	Bendungan	KSU BMT Giri Makmur	13	8.230.000
4	Temon	KSU Trijata	26	15.070.000
5	Lendah	KSU Legowo	7	3.509.000
6	Proliman	KPN Sumber Rejeki	15	9.500.000
7	Kijosuta	Koperasi Mitra Prima Daya	18	10.400.000
8	Harapan	KUD Harapan	28	13.222.000
9	Sentolo Mukti Bareng	Koperasi Mukti Bareng	22	12.403.000
10	Khudori	Koperasi Benih Kasih	22	11.504.000
11	Sentolo	KUD Gangsar	12	11.977.500
12	Diponegoro	Koperasi Binaria	26	15.352.000
13	Anugrah	Kopwan Sempulur	9	7.405.000
14	Brosot	Kopwan Dahlia	8	13.037.500
15	Samigaluh	BMT Al-Azka	4	4.703.700
16	Nanggulan	Koperasi Sae	10	6.800.000
Total			252	166.816.200

Source: Kulon Progo Regency Cooperative Office 2018

From table 2 we can know that the number of SMEs (Micro, Small and Medium Enterprises) that have collaborated is 252 members. From these data that the lowest turnover of Tomira is Tomira Samigaluh with a total of Rp 4,703,700 and the highest is Tomira Diponegoro with a total of Rp 15,352,000. The purpose of this policy is to empower the community economy in a partnership with Cooperatives and SMEs so that it can become the minimarket of the people of Kulon Progo. The real thing is by building a People's Own Shop (*ToMiRa*) program. This was also agreed upon through the signing of a Memorandum of Understanding between Alfamart managers, Sumber Alfaria Trijaya Tbk company and the Kulon Progo Regency local government on Monday, September 1, 2014, to work together to develop community economic empowerment in partnership with cooperatives and SMEs through the *TOMIRA* (Community Owned Stores) program. All products produced by the Kulon Progo community must be sold in *Tomira*. In principle, only products that are not owned or produced by Kulon Progo may be imported from

outside of Kulon Progo. So it is seen that the Kulon Progo Regency Government has involved various sectors of community business through the *TOMIRA* program, this is as said by (Ondang, Singkoh, & Kumayas, 2019, p. 1) that in empowering the community through empowering the SMEs the government is able to involve various business sectors of the community in its neighborhood

The Obstacles in *Tomira's* Implementation

There are several obstacles encountered in the implementation of *Tomira* SMEs cooperation with modern stores in the Kulon Progo Regency area, such as the constraints of cooperation between cooperatives “Modern Stores *Tomira*” with suppliers (Alfamart and Indomaret); lack of human resources given that *Tomira* previously was Alfamart and Indomaret modern stores, this has an impact on the lack of knowledge of human resources owned by *Tomira*, because previously the concept of a modern store in Kulon Progo Regency was a franchise, whereas now it is held by cooperatives, there are differences in accounting between *Tomira* who conceptualize bookkeeping cooperatives with the bookkeeping concept of franchising because the standard presentation of financial statements cooperatives have been regulated in legislation, as well as the existence of cooperative rules following Law Number 25 of 1992. These constraints make human resources from cooperatives experience difficulties in presenting financial statements. So there is often a mismatch after reporting to the cooperative as the owner of *Tomira*; 20% space for local products wherein the beginning of the establishment of a modern *Tomira* store, local government has a high enthusiasm to be able to trade local products Kulon Progo Regency as much as 20% of all products traded in every *Tomira* modern store in Kulon Progo, so that local products can be known to the community and a good economic wheel for SMEs, products local as much as 20% will be given a separate shelf in the modern shop *Tomira*. It should be noted that a space of 20% for local products is contained in a cooperative cooperation agreement in the establishment of a modern *Tomira* store, but unfortunately, the space of 20% has not yet been reached or not maximized, this is due to local products that do not yet exist or do not meet the requirements.

In addition to the problem of the lack of space for local products, the development of local products for Kulon Progo Regency SMEs cannot be as fast as products in modern franchise stores, which are easily known in the community; the cooperative as a modern shop owner also had difficulty in managing this modern store at the beginning, namely regarding taxation. At first, the Kulon Progo Regency cooperative was not familiar with tax payments in carrying out its cooperative activities, so taxation was one of the matters not understood by the related cooperatives, especially the majority of cooperative members were mostly elderly people, this became an obstacle for cooperatives in running the *Tomira* modern store, besides that, *Tomira's* modern store has cooperated with Alfamart and

Indomaret as suppliers who are already familiar with taxation, because these two modern store brands are already classified as big companies, so inevitably the tax has certainly penetrated into *Tomira's* modern store, besides that in terms of turnover cooperatives in running *Tomira's* modern shop are more than 4.8 billion rupiah, so the cooperative is subject to 10% PKP or Taxable Entrepreneurs that must be paid every month to the state treasury, of course in addition to the lack of knowledge of this taxation, the imposition of this tax is felt to burden the cooperative.

Even so, the Implementation of Regional Regulation No. 11 of 2011 is to provide the legal basis and broadest business opportunities for business actors by providing guarantees of protection to traditional markets and MSMEs. Regional Regulation Number 11 of 2011 aims to create order, balance, and fairness in the conduct of trade businesses, both for sellers and buyers. In addition, the implementation of this regional regulation can also encourage the entrepreneurial spirit of the Kulon Progo community for local businesses. Local government protection in limiting the establishment of networked stores in Kulon Progo in the form of a preventive measure that is guaranteeing protection to traditional markets and businesses, Micro, Small and Medium Enterprises. This effort is a follow up of the regional government in limiting the amount and regulating the distance between traditional markets and modern shopping centers such as Alfamart and Indomaret.

The relocation and spacing of the establishment of network shops will affect the market climate in Kulon Progo. Traders will not feel disadvantaged in a market economy both in terms of marketing and product competitiveness. Management of local special products is very much needed in empowering the creative industries and household crafts in Kulon Progo. Business continuity that is self-produced by small industry players is very necessary for the welfare of the community. The regional government has a "*bela-beli* Kulon Progo" program. This effort is used by the Kulon Progo government to further stimulate the market economy in the regions.

CONCLUSION

Through the *Tomira* program that was conceived and is an innovation by the government of Kulon Progo, it seems able to minimize the trade capitalization carried out by modern stores such as Alfamart and Indomaret. The *Tomira* program actually provides many benefits for the community including being able to provide welfare with a profit of 10 percent per sale, maintaining and elevating regional SMEs to continue to exist, also as a district can reduce poverty through this program. The implementation of local regulation No. 11 of 2011 can encourage the entrepreneurial spirit of the Kulon Progo community to protect local businesses. Alfamart and Indomaret represent one form of preventive action from the government to its people. The Kulon Progo government provides protection to traditional markets and business protection there. This effort is a

follow up to the regional government in the number and allocation between traditional markets and modern spending centers such as Alfamart and Indomaret.

The policy of the Kulon Progo Regency Government in the effort to empower and protect its regional specialty products. This policy is ideal for economic development in an area. The needs of people in urban areas who are highly consumptive must be commensurate with the productivity of their local industries. This is very useful in reaching out to the marketing of small industries and home industries, so as to open up jobs for the community. The economic development of a region must be accompanied by preventive measures from the government apparatus directed at the community. The government must strive to optimize the productivity of creative industries and household crafts. The increase in creative economic growth in Kulon Progo Regency is one of the main solutions of the regional government in overcoming the economic problems of the community. Local governments involve cooperatives as collaborative partners in the development of MSMEs. Local government efforts to encourage cooperatives to play an active role in acquiring franchise stores show that cooperatives play an important role in the pillars of people's economy. The cooperative operates as the main marketing chain to encourage the people of Kulon Progo to buy local specialty products.

Tomira supports poverty alleviation programs in Kulon Progo Regency in the form of profit allowance for SMEs mentoring activities and community social assistance, providing home renovations, scholarships for the underprivileged, and other social activities. This partnership is a form of implementation of Law no. 20 concerning SMEs, article 25 No. 1 concerning the Government, Local Government, Business World, and the Community facilitates, supports, and stimulates partnership activities that need, trust, support and benefit each other.

The Regional Government of Kulon Progo Regency, as the holder of power, the regional government has a big role to overcome the obstacles that arise in the implementation of *Tomira* cooperation, which is by creating legal products, so that there will be forced efforts that are felt so that the existing problems can be minimized. Then to realize the welfare of the people, then it would be nice if the government descended directly in providing financial assistance to SME actors, as well as simplifying procedures in making licensing of a product. Because it is undeniable that in this day and age the value of a currency is very small to be utilized, even sometimes there is no value, it certainly makes it difficult for businesses, especially SMEs to develop their products.

LIMITATIONS OF STUDY

The most significant limitation of this study is the limited on qualitative method through case study approach. In addition, internet surveys have not been included much in the study. In the future studies, therefore, different findings could be obtained by comparing

the findings of studies in different publications. Considering the rapid development of capitalism in local product, it is estimated that studies of SMEs development for subduing the capitalism may give different results in different places and at different times. For this reason, it is necessary to continually revisit and update the relevant studies.

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