

THE POWER STRUCTURE OF UNDERGROUND ECONOMY ACTIVITIES AT ROMBENGAN MALAM KOTA MALANG: AN INSTITUTIONAL ECONOMIC PERSPECTIVE

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ABSTRACT. One of Indonesia's most common underground economy practices is the emergence of informal markets in the community. This study aimed to identify the pattern of the power structure of the Roma merchants in Malang City from an institutional economic perspective. In this study, the method used is a descriptive qualitative approach with a phenomenological type. This study uses primary data, data directly obtained from interviews and observations. The main informants in the study were traders, and the supporting informants were parking attendants. From the researchers' findings, it was found that several realities of the power structure existed until now, among others, in the Roma merchant community, there was no hierarchical and formal pattern of power structures that officially governed the merchant community. Mastery in the Roma community was only informal.

Keywords: Power Structure; Underground Economy; Informal; Social Capital

STRUKTUR KEKUASAAN KEGIATAN UNDERGROUD ECONOMY DALAM PERSPEKTIF EKONOMI KELEMBAGAAN

ABSTRAK. Salah satu praktik underground economy yang banyak terjadi di Indonesia adalah keberadaan dari munculnya pasar-pasar informal di tengah masyarakat. Tujuan dari penelitian ini adalah untuk mengidentifikasi pola struktur kekuasaan pada pedagang Roma Kota Malang dalam perspektif ekonomi kelembagaan. Pada penelitian ini metode yang digunakan adalah pendekatan kualitatif deskriptif dengan jenis fenomenologis. Penelitian ini menggunakan data primer, data yang langsung didapatkan dari wawancara dan observasi. Informan utama dalam penelitian adalah para pedagang dan informan pendukung adalah tukang parkir. Dari hasil temuan peneliti didapatkan beberapa realitas struktur kekuasaan yang berlaku dan eksis hingga sekarang di komunitas pedagang Roma antara lain, dalam komunitas pedagang Roma tidak adanya pola struktur kekuasaan secara hierarki dan formal yang mengatur secara resmi komunitas pedagang tersebut. Penguasaan di komunitas Roma hanya bersifat informal.

Kata kunci: Struktur Kekuasaan; Underground Economy; Informal; Modal Sosial

INTRODUCTION

Economic activity in its course is subject to formal and informal forms of legal and illegal. This form of activity occurs because of differences in the process. But whatever the forms of the purpose of economic activity boil down to maximum utilities and maximum profits.

Based on the context of achieving the maximum benefits, one of the unusual economic activities is carried out outside the formal path, and even we do not realize the activity is all around us. These activities are commonly referred to as underground economies. The underground economy is often also referred to as the shadow economy, informal economy, parallel economy, or also hidden economy (Koufopoulou et al., 2019; Asiedu & Stengos, 2014; Kharisma P & Khoirunurrofik, 2019)

Most do not realize that the Indonesian economy cannot be separated from activities in the underground economy in a large portion. In the early

1990s, University of Indonesia economist Sritua Arief raised the issue of the black economy in Indonesia. Here, the black economy is part of the underground economy, which contains informal economic activities. In simple terms, the underground economy includes all economic activities that are generally taxable when reported to the tax office.

These illegal activities include illegal markets, where goods and services are produced, traded, and consumed illegally. This activity is categorized as illegal because it is legally not allowed (for example, drug trafficking or smuggling). At the same time, legal activities that include the underground economy in the form of legal goods and services are traded under illegal conditions (e.g., the construction sector that employs unlicensed employees). The first group (an illegal activity that enters the underground economy) is the black market. In contrast, the second group (a legal activity that enters the underground economy) is commonly known as the grey market. In addition, unrelated transactions such as illegal logging, illegal mining, fuel oil smuggling activities,

and the number of non-incorporated business units also indicate underground economy activities.

A very broad definition of the underground economy is the production of goods and services (market-based production), both legal and illegal, which escape detection in the official GDP calculation (Frey & Schneider, 2000; Schneider, 2005). This definition describes that the underground economy is illegal economic activity and activities that are declared legal from transactions and income but are not recorded or reported in statistics.

Various attempts to measure the magnitude of underground economy activities are still encountering difficulties, including due to the concept of different underground economies and underground economy actors who generally do not want to be known (Samuda, 2016; Kiani et al., 2015). Information about underground economy activities, magnitude, and how it occurs is difficult to obtain because, by its nature, it cannot be monitored. Thus, the underground economy should be based on estimates or estimates, and various efforts have been made to address this problem (Orsi et al., 2014; Frey & Schneider, 2000)

It reflects how invisible the economy is, even though we sometimes do not realize it is even closer to real life. Many factors explain the appearance and size of informal activities. High taxation rates, impractical regulations, high-income taxes, and labor costs are some of the many factors pushing toward the informal sector (Capasso & Jappelli, 2013) and a high-return technology which requires external finance. Firms can reduce the cost of funding by disclosing part or all of their assets and pledging them as collateral. The disclosure decision, however, also involves higher tax payments and reduces tax evasion. We show that financial development (a reduction in the cost of external finance.

The existence of the informal sector in the national economy is apparent, and its influence is enormous on the national economy. The study of informal sectors or economies concerning economic actors becomes significant, especially in developing countries. Therefore its existence cannot be ignored, considering that this sector can always be found in various countries.

The hallmark of this informal sector is wages or salaries that are not fixed, low, and not adequate. Productivity is not maximal because the informal sector does not use advanced technology or modern equipment, capital intensive technology. Labour skills are, relatively speaking, less qualified than those of the workforce in the formal sector (Charmes, 2012)

One of the underground economy practices rife in Indonesia is the existence of informal markets in the community. It is undeniable that informal markets have become an alternative for some people to meet their needs of life. Major cities in Indonesia, such as Jakarta and Surabaya, can not be separated from the existence of these markets. In Surabaya, for example, there is one example of such an informal market as the maling market located on Wonokromo Highway right in front of the Darmo Trade Center (DTC). At night, the place is crowded into a place to trade.

While in other big cities such as Jakarta, there is also a similar market such as the snake market (uler market) located on Jl Plumpang Raya North Jakarta. Not much different from the maling market in Wonokromo Surabaya, this snake market in Plumpang Jakarta sells export-leftover goods.

Similar to the existence of informal markets in Jakarta and Surabaya, Malang City is also inseparable from the existence of a similar market, namely Rombengan Malam Kota Malang (from now on called Roma only), which is located along the sidewalk of Gatot Subroto Highway or commonly known by the public as *pertukangan* area.

Roma is a market that sells used, antique, old, imitation, or even goods from the black market process. The Roma market is an impromptu market that is only open at night, from around 8 pm to twelve o'clock. Any service and any organization do not bind the Roma market. However, its existence still seeks to be preserved by the local community while still making the Roma market a place to make a living by selling in that market. In addition to being a vehicle to shop for used goods of good quality, the Roma market is also more often used as a tour by newcomers to Malang City.

This area of Roma has existed for a long time and still exists today, although the conditions in Roma are relatively simple and far from formal. Several factors support the existence of underground economic activity until it still exists. Such a market is interesting to reveal because, in the community, there is a hierarchy or power structure that runs or forms a rule of play so that the market still exists, with the condition of the power pattern being formal or informal.

Several studies have tried to examine the existence of the underground economy from various ways and perspectives, including research, conducted by Williams & Horodnic (2016) which explains that the greater the asymmetry between formal and informal institutions, the higher the tendency of small businesses to engage in everyday practices.

Meanwhile, several studies have attempted to estimate the existence of the underground economy, such as the research revealed by Charmes (2012) that the informal economy supplies the majority of the workforce with jobs to earn a living or run small businesses: 70 percent in South and Southeast Asia; 66 percent in sub-Saharan Africa (with most of this work in the informal sector in these two regions); and 58 percent in Latin America, excluding agricultural work. Meanwhile, research by Kiani et al (2015) unofficial or shadow economy by researchers and practitioners has been enlarged in the past few decades. The existence and widespread findings of shadow economies is a growing problem around the world. In this study, we draw on insights from an active and growing economic literature on demand for currency approach and the underground economy. The study addresses the policy relevant issues in a technical fashion by using monetary approach with some extensions in the developing countries context like Pakistan over a period of 1975–2010. The study at first finds the long-run relationship between the currency in circulation and other variables (i.e., GNP, tax revenue as percentage of total revenue, interest rate on saving deposits and inflation rates which uses autoregressive distributed lags (ARDL), confirms the existence of a large underground economy in Pakistan from the period 1975-to 2010. ARDL approach shows the underground economy increased from less than 30% during the 1960s to 32% in the 1990s, then declined average of 21% in the 2000s.

Further research by Asiedu & Stengos (2014) found that the underground economy in Ghana averaged about 35% of GDP during the period 1983-2003, ranging from a high of 54% in 1985 to a low of 25% in 1999, an estimated long-term average size of the underground economy to GDP during that period was 40% (of GDP). Furthermore, research has shown Islam & Alam (2019) a significant positive relationship between the informal economy and the GDP growth rate in developing South Asia.

The study's novelty is that it attempts to analyze the results of findings in the field with an institutional economic perspective. Based on an institutional concept, a market economy is a building formed by a set of institutions. The form and structure of the institution will ultimately define how the market operates (Manzilati, 2011). According to institutionalists, the market has been considered a failure. Instead, a hierarchy is believed to be more effective at allocating resources. The first generation of institutionalists, such as Veblen and Schumpeter, placed great emphasis on innovation

and “internalization” rather than “externalization” that placed too much emphasis on market forces.

Williamson, a neo-institutionalist, said that compared to the market, organizations have more advantages because of low transaction costs. There fore, in organizations, some hierarchies and powers govern the allocation of resources to be more effective (Richter, 2005; Baudry & Chassagnon, 2010)

Economic analysis can be divided into four scopes according to Miller (in Claude Menard & Shirley, 2005) (i) resource allocation, (ii) the growth rate of employment, income, production, and price (levels of growth employment, income, production, and prices), (iii) income distribution, (iv) the structure of power. The classical/neoclassical approach uses the first three instruments to analyze each economic problem; On the contrary, the institutional approach emphasizes the last tool to analyze economic phenomena.

Institutional approaches also used social capital to address power structures or hierarchies. Social capital is a part of social organizations such as beliefs, norms, and networks that can improve people's efficiency by facilitating coordinated actions. Coleman (in King, 2004) defines social capital as the ability of people to work together to achieve common goals within groups. Briefly, Lin (2001) defines social capital as an investment in social relationships with expected development in the market. The purpose of the study was to identify patterns of power structures in Roma traders from an institutional economic perspective.

METHOD

In this study, the method used a descriptive qualitative approach with phenomenological types. This type of phenomenologist was chosen to understand the meaning of an event and the relationships that exist in it more deeply. The research was conducted in the Roma area located on the Gatot Subroto street of Malang City. This study uses primary data, data directly obtained from interviews, and observations conducted by the researcher. Observations are also used to get more information about power structure patterns. The information was used as an instrument to analyze the power structure of Roma merchants.

The main informants in the study were the merchants who were selling in the Roma area, and the supporting informants were parking attendants. Interviews and observations will be conducted from April-July 2021. Data analysis in this study has several processes, namely: presentation of

data (data collection), condensation, conclusion drawing, and interpreting (verification) (Miles et al., 2014). Regarding data analysis, it can be explained as follows:

a. Data Collection

Data collection can be analyzed in various ways according to the data collection techniques used. The data collection in this study was obtained based on documentation and interviews. Data collection analysis is intended to get the core of the research focus to achieve the research objectives.

b. Data Condensation

Condensation refers to selecting, focusing, simplifying, abstracting, and transforming raw data from written records in the field. This stage is carried out to select data related to whether the data is relevant or not for the research.

c. Data Display

At the data presentation stage, the researcher attempts to present data that must be arranged according to the main problem at the beginning in the form of a brief description, chart, or table describing the Roman merchants' power structure.

d. Conclusion Drawing

The final step in analyzing qualitative data in this study is drawing conclusions and verification. In this study, conclusions data are adjusted to the research objectives stated, then the data obtained are verified. After the data is verified, the analysis returns to the initial stage until all the data is complete.

RESULTS AND DISCUSSION

Land Tenure; Beginning to See Informal Rulers

Every organization, group, or community will certainly not be separated from the leadership that regulates and determines the goals of the organization, group, or community they lead. In general, the type of leadership often encountered is formal leadership.

Formal leadership is the official leadership appointed in a leadership position, and the organization has the authority to supervise and give orders to its subordinates. This leadership pattern can be seen in the various provisions governing the hierarchy in an organization. Its capabilities include influencing others in determining organizational goals and motivating follower behavior to achieve predetermined organizational goals.

While usually every organization, group, or community uses a formal leadership pattern and

vertical hierarchy, different things appear in the Roma community. The Roma community did not recognize a hierarchical leadership or formal power structure that governed the merchants' community. That is revealed by Mr. Angga when asked about the leaders in the Roman merchant community:

"...kene iku bebas wong dodolan. Ndek kene iku nyantai kabeh...". (disini itu bebas orang berjualan. Disini itu semuanya santai)

What was expressed by Mr. Angga is also in line with the statement of Mr. Junaidi as a parking attendant:

"adek cong, dunnakriyah bebas, adek bos-bosan cong". (Tidak ada dik, di Roma ini orang bebas berjualan, tidak ada bos-bosan (pimpinan) dik.)

Based on the informant's narrative, there was no formal and hierarchical leadership pattern in the Roma merchants community. However, an interesting fact emerged from the Roma merchants community regarding the land or place to sell. The informal "rulers" in the Roma merchants community began to appear from this land or place issue.

One of the main assets determining a merchant's business continuity in Roma is selling land or place, especially those on the sidewalk. The existence of land (which is on the sidewalk) is undoubtedly very needed by merchants in selling. However, there was no definite system for determining the land or place for trading within the Roma merchants community. So, merchants freely choose the land or place to sell as long as other merchants do not occupy the site. The flexibility of the merchant's chosen land to sell was conveyed by Mr. Topan, a trader who has been trading for fifteen years in Roma.:

"yo langsung ae mas, pokok ono panggon kosong dodol ae". (Ya langsung saja mas, pokok ada tempat kosong jualan saja.)

According to the informant, anyone can claim a place to sell their merchandise as long as there is an empty plot; thus, we can say that Roma adheres to "first come, first serve" (Siapa cepat dia Dapat). The consequence of this system was that merchants were quickly approached by other merchants who wanted to sell in Roma. Since it is easy to access places in Roma, new merchants repeatedly come even though the sidewalk is fully occupied.

The full sidewalk area causes new traders to find a place outside the sidewalk. This condition was expressed by Mr. Amin, who is new to trading in Roma:

“Wes podo full mas, gak ono maneh. Ndek sebelah kono ono sing didol mas regane 2 juta tapi gawe opo aku mas”. (Sudah pada penuh semua mas, tidak ada lagi (tempat). Di sebelah sana ada yang dijual (tempatnya) harganya dua juta tapi buat apa saya mas).

That is also supported by Mr. Dedik, who is also a new trader:

“wes podo full kabeh iku mas, ono tempat kosong ndek kono tapi regane 800rb”. (Sudah pada penuh semua mas, ada tempat kosong disebelah sana tapi harganya 800 ribu).

The unwritten rule that prevailed in the Roma merchant community was that if a merchant had occupied vacant land on the sidewalk, then he had full power over the place. Even so, these traders do not own the land officially because the real owners of the land are the shop owners, where the traders use their sidewalks to trade.

Another interesting fact also appears in this land/land issue. Further, Mr. dedik explained:

“aku biyen iku wes muter-muter mas golek tempat ndek trotoar tapi wes penuh, ndek kene iku wilayah-wilayahan mas, sing diajak yo koncone dewe sak kampung koyok jodipan kota lama, ngomonge tempat e wes ono sing nempati padahal yo sek kosong, terus engko digawe koncone iku...”. (aku dulu sudah putar-putar mas cari tempat di trotoar tapi sudah penuh, disini itu wilayah-wilayahan mas, yang diajak ya temannya sendiri satu kampung seperti jodipan, kota lama, bilangnye tempatnya sudah ada yang menempati padahal ya masih kosong, terus nanti dipakai temannya sendiri).

Mr. Dedik’s statement is also in line with Mr. Amin:

“aku diajak i tonggo-tonggo ku mas, sak deret iki lak akeh tonggo-tonggo sak kampung”. (Saya diajak tetangga-tetangga mas, satu deret (di trotoar) ini kan kebanyakan tetangga-tetangga satu kampung).

The informant explicitly stated that the old merchant who first occupied the land controlled the land. It was as if the traders were the “owners” of the land and understood the situation in Roma best, so they could “sell” the land they used to other merchants.

The senior merchants have a “seniority” advantage since they are the first to occupy the land. Their seniority status allows them to create a network

to invite their friends to open a stall in Roma. Regarding this, Mr. Topan explained:

“Sing dagang iki, iki, iki biyen sing ngajak yo aku mas, wong-wong iki kan tonggo-tonggo sak kampung ndek Kota Lama kono. Wong sing iku biyen tukang becak terus tak ajak dagang ndek kene”. (Yang berdagang ini, ini, ini (pedagang lain) itu dulu yang mengajak ya saya mas, orang-orang ini kan tetangga-tetangga saya satu kampung di Kota Lama sana. Orang yang itu dulu (Kerjaannya) tukang becak mas terus saya ajak dagang disini).

In this case, the senior merchants virtually have the power to influence the merchants’ community, of which they invite their relatives, friends, and neighbor who came from the same village/area. Interaction between members will occur when there is a sense of mutual need in the community. The similarity of business place, form, place of origin, and many others can reinforce this social network.

The direct interaction of senior merchants in Roma has established a social status hierarchy, whether consciously or not. Therefore, the members of each class have a relatively higher or lower status. The hierarchy in the senior Roma merchant community was formed because of the interactions that formed the network that surrounded it

This finding is in line with Suharto’s statement regarding social capital:

“Although interactions occur for various reasons, people interact, communicate and then cooperate are influenced by the desire to share ways to achieve common goals that are not infrequently different from their own goals. This situation mainly occurs in interactions that last relatively long. This kind of interaction gives birth to social capital, namely emotional bonds that unite people to achieve common goals, fostering trust and security created by relatively long relationships. Like financial capital, social capital like this can be seen as a resource that can be used both for current activities or production processes and to be invested in future activities.”

What Suharto expressed is also in line with what Lin (2001) Lin (2005) Bhandari & Yasunobu (2009) Lins et al. (2017) stated that social capital is an investment in social relations with an expected return in the market. Lesser, (2000) states that social capital provides easier access to information, serves as a power-sharing medium, and develops solidarity. Moreover, social capital also allows resource distribution, enables mutual

achievement, and nurtures a sense of togetherness and organizational culture in the community.

Social capital is a commitment from each individual to be open to each other, trust each other, and give authority to everyone he chooses to play a role under his responsibilities. This facility produces a sense of togetherness, solidarity, and at the same time, the responsibility for mutual progress. Furthermore, according to Manzilati (2011), social relations can be described through agreed values or norms to create trust between them. That trust then becomes a kind of “lubricant” for ongoing cooperation.

What has been revealed shows the reality of the Roma merchants, where the senior merchants seem to have power and influence, thus creating a rule of the game that other merchants must agree upon, especially for new merchants? lop

Parking Land Use and Other Emerging Powers

As explained before, there are no formal leaders who control or govern the place. Instead, informal leaders emerged from land plots for selling areas since land is one of the main assets for Roma merchants. The previous explanations show that the senior merchants, or those who occupy the land plot earlier, act like they own the place. Thus they can sell the land plot even though they do not own it legally. Moreover, the senior merchant can also invite their neighbor, friend, and colleague to occupy the empty plot on the sidewalk.

However, the land problems do not end on the sidewalk. When the sidewalk area can no longer accommodate the increasing merchants, an alternative appears to replace the sidewalk area, namely the parking lot. Here, other informal ‘rulers’ emerged in the Roma merchant community.

While the senior merchants effectively control the sidewalk area, the parking lot is controlled by the parking attendants, who act as the ‘rulers.’ The parking lot in the Roma area has become an alternative for the merchants who do not obtain places on the sidewalk. However, this phenomenon has only been implemented recently. Recently, the merchants have widely used parking lots, which according to the researchers’ observations, amount to more than twenty merchants. The use of parking lots as stall places began to be widely used by the merchant since there is no complicated system for the merchants to use the parking lot. They do not have to ask for a regional apparatus permit in the Roma area, namely the neighborhood association (RT/RW). Mr. Amin stated:

“ora usah ngono-ngono iku mas, garek ngomong nang tukang parkir tok, iki lak lahan parkir a

mas. Enak ndek kene iki ora ribet, garek ngomong tukang parkir e mene wes iso dodolan ”. (Tidak usah begitu-begitu itu mas (izin kepada lembaga formal), tinggal bicara kepada tukang parkir saja, ini kan lahan parkir mas. Disini itu enak tidak ribet, tinggal bicara sama tukang parkirnya besoknya sudah bisa berjualan).

Mr. Amin’s statement confirms that in the Roma merchant community, there are no strict and complicated rules governing merchants’ trade in the Roma area. Merchants only have to ask for a parking attendant’s permit to use parking lots as stall places, indicating an efficient ‘bureaucracy’ in the Roma merchant community that enables merchants to access the selling area easily. Therefore, it is only natural that many merchants crowd the Roma merchant area.

However, while the sidewalk area does not cost merchants a dime, things are different in the parking lots. Merchant has to pay rent to the parking attendants as the ‘owner’ of the parking lot since the area is originally intended for customers’ vehicles. The use of the parking area for merchants becomes another source of income for the parking attendants other than vehicle retribution. Regarding this, Mr. Junaidi as a parking attendant said:

“...mon eatas trotoar tak majer dek sengkok le mon se e kenengan parkiran reyah majer dek sengkok lek”. (Kalau yang diatas trotoar itu tidak bayar kalau yang di parkiran itu bayar dik ke tukang parkir seperti saya).

Then, Mr. Amin also explained the several amounts of retribution that he must pay:

“sedino lima ngewu mas, tapi lek sepi yo mek patang ngewu, tukang parkir e iso ngerti kok”. (Sehari 5 ribu mas, tapi kalau sepi Cuma 4 ribu, tukang parkir nya bisa mengerti kok).

Regarding this, Mr. Dedik also stated:

“...gak ngerti aku mas, gak mesti. Pokok tak kek i lima ngewu ngono ae, sak karep tukang parkir e nyusuk i piro...”. (Tidak tahu saya mas, tidak mesti. Pokok saya kasih 5 ribu begitu saja, terserah tukang parkirnya kasih kembalian berapa saja).

According to the informant, the merchant who wants to use parking lots to sell their merchandise must pay Rp5,000 per day. The fee depends on whether there are many customers or not. On a less crowded day, the parking attendant may charge less than Rp5,000 per day. However,

on a more crowded day, the parking attendant may charge up to Rp5,000 per day. The collection of retribution fees is carried out by several parking attendants specially assigned to collect retribution for parking lots.

The collected levies are deposited to the parking attendant leader. All levies, both from vehicles or land rent, are not directly owned by the parking attendants. They have to give all their daily income at the end of the day to their primary leader, who is often called jeregan (meaning leader or boss in the Madurese language). Most of the parking attendants in Roma are Madurese. Finally, these parking attendants will get a monthly salary, amounting to twenty thousand rupiahs per day.

In a state of emergency, or whenever the parking attendant needs to, they can ask their salary to be paid without waiting for the monthly distribution. This salary of twenty thousand rupiahs per day is only valid for night activities when the Roma area is open for business. Apart from that, the parking attendant still gets other incomes from working hours during the day. On Jalan Gatot Subroto, a permanent parking attendant starts working early in the morning until late at night. While in Roma, parking attendants work from 19.00 to 23.30. These hours are the “official” working hours of parking attendants in Roma.

In this parking lot, there is also a division of territory for parking attendants, namely the west side and the east side, according to the merchant's place. Each area has a parking attendant in charge of collecting retribution for traders who use the parking lot.

Cases of land tenure in sidewalk areas controlled by senior merchants are also occurring in parking lots controlled by parking attendants. The parking attendants have a more bargaining position because they feel they own the parking lot.

The involvement of the parking attendant as one of the “rulers” in Roma further clarified that in the Roma merchants community, there was indeed no hierarchical and formal power structure system. The formation of these “rulers” is only formed informally through land issues, where land or places using sidewalks are “controlled” by senior merchants, and parking attendants control parking lots.

It could be said that the “ruling” of land between the senior merchants and the parking attendants formed a horizontal hierarchy where the roles and positions between the senior merchants and the parking attendants are relatively the same. It is the same in the sense that these two rulers have their respective “places” that they rule.

It is also in line with Aldrich & Meyer's (2015) statement. Social capital is very important for the community because first, it provides easy access to information for community members; second, it becomes a medium for power-sharing in the community; third, develops solidarity; fourth, enabling the mobilization of community resources; fifth, enabling mutual achievement; and sixth, forming the behavior of togetherness and community organization.

The pattern of power among traders in Roma, Malang City, shows that the hierarchy of power does form because of the closeness between individuals or groups, which provides a kind of lubricant for anyone who wants to trade. These findings show that the power structure is more effective in allocating resources.

CONCLUSION

From the researchers' findings, it can be concluded that several realities of the power structure that existed until now in the Roma merchants community, including there is no hierarchical and formal pattern of power structures in the Roma merchants community that officially governed the merchants' community. Ruling in the Roma community was only informal, where the emergence of these “rulers” originated from problems with land or places used for trade. The place is divided into two, the first is a sidewalk area, and the second is a parking lot.

The Roma merchant community's power pattern also showed its effectiveness in allocating resources because it only required closeness between individuals or groups. So there was no barrier for anyone who wanted to trade in the area of Roma. On the other hand, the existence of this community has been able to create job opportunities and improve a better standard of living for some people.

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