

How The Policy And Empowerment Of Traditional Markets In Indonesia?

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Abstract: This research is a field research that tries to uncover how the arrangement of modern markets and the empowerment of traditional markets in economic strengthening. The results of this study stated that the traditional market in Jember Indonesia must get a policy from the government, because retail competition makes traditional markets less competitive with modern markets. If that continues, then the traditional market will disappear, and cause poverty for workers.

Index Terms: Modern Market, Traditional Market, Policy, Empowerment

1. INTRODUCTION

Indonesia is one of the countries that has entered the era of global competition, where there are no restrictions in each individual to develop business, whether in the scope of small, medium or large. With the development of global competition that can not be dammed anymore, resulting in small businesses unable to compete with medium and above businesses in the business world. So that various regulations issued by the government, both in the form of laws and government regulations to provide protection to small businesses. Starting from Law Number. 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair Business Competition. Presidential Decree Number. 112 of 2007 concerning the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores. Decree of the Minister of Trade No. 53 of 2008 concerning Guidelines for Structuring and Guiding Traditional Markets, Shopping Centers and Modern Stores. Law number 20 of 2008 concerning micro, small and medium businesses. The goal is only to realize the ideals of national development, namely to create a just and prosperous society based on Pancasila. In Law number 20 of 2008, concerning micro, small and medium enterprises, it is explained that minimarkets is categorized as a modern market that does not include criteria for small and medium-sized businesses, because its management is carried out by large companies and the goods sold vary and in relative quantities. a lot, can reach tens of thousands of items. In terms of place more organized and managed with modern management. Opportunity to bargain prices with consumers or customers becomes closed with a fixed price system. Whereas traditional traders are very simple both in terms of method and technology. Limited items sold. In addition, management is still traditional, especially in the case of finance, which has not yet implemented a system in accordance with the rules of financial norms.

Often the financial management with family living costs become one so that the stability of venture capital is often disrupted. Bargaining in prices with consumers or customers who can spend a long time is a characteristic too. The modern retail industry had developed in the 1960s precisely in 1964 which was marked by the establishment of the Sarinah Building. This industry began to show its growth from 1970-1977 with changes in the types of outlets such as supermarkets, department stores and so on. At first this modern retail business was dominated by domestic retailers such as Matahari, Ramayana, Hero, and so on. In its development, in 1998 there was an agreement between the IMF and the Indonesian government regarding an agreement of foreign retailers to be able to invest or open outlets without having to cooperate with local retailers. This is a very promising opportunity for local and foreign retailers because Indonesia has a very large market share potential with the fourth largest population in the world after China, America and India which is more than 220 million inhabitants, so many retailers both local and foreign targeting the retail market in Indonesia to obtain huge profits (Cipto, 2009). From the AC Nielsen study (in Syriac, 2010: 3) notes that the ratio of the desirability of people shopping in traditional markets tends to decrease, from 65% in 1999 to 53% in 2004. While modern retail initially only 35% in 1999 to 47% in 2004. Where from the data can be indicated if in the course of nearly 10 years, people's desire to shop at traditional markets is decreasing again, and those who shop at modern markets are increasing. So that the turnover of traditional market traders down and modern retail turnover soared. Based on data from the Jember Industry and Trade Office, there are 150 networked minimarkets issued in the period 2006-2012. In 2006, the Ministry of Industry and Trade issued licenses for 2 minimarkets; 2007 for 3 minimarket, 2008 for 7 minimarket, 2009 for 12 minimarket, 2010 for 16 minimarket, 2011 for 35 minimarket, and 2012 for 75 minimarket. This minimarket network is spread out in 26 sub-districts. Most in Summersari (36 minimarket), Kaliwates (24 minimarket), and Patrang (16 minimarket). The three sub-districts are located in the center of Jember. The next highest are Rambipuji (10), Puger, Balung, Bangsalsari (5), Ambulu, Kencong, Sukowono (4), Kalisat, Sumberbaru, Pakusari, Ajung (3), Silo, Semboro, Mayang, Arjasa, Gumukmas, Jenggawah, Wuluhan, Jombang, Umbulsari (2), Sukorambi, and Sumberjambe (1). Five districts that according to the Disperindag version do not yet have a networked minimarket are Tempurejo, Mumbulsari, Panti,

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Ledokombo, and Jelbuk. The issuance of Jember Regent's regulation number 8 of 2013, concerning the arrangement of networked minimarkets, actually brings fresh air to traders in traditional markets. Because with the issuance of this regulation, the establishment of minimarkets is getting more organized. In the regulation in article 3 it is stated that the purpose of the regulation is to provide protection to micro businesses, empower micro entrepreneurs, regulate the existence of networked minimarkets in Jember, guarantee the existence of partnerships between networked minimarkets and micro traders, and create a synergy of mutual needs between minimarket and micro entrepreneurs. In this research, it will be examined whether all the rules have been implemented and how is the relationship between modern markets and traditional markets that are good?

2. LITERATURE REVIEW

Traditional Market Strength can be seen from several aspects. These aspects include cheaper and negotiable prices, proximity to settlements, and providing a large selection of fresh products. Another plus is the extraordinary shopping experience, where we can see and hold directly the products which are generally still very fresh. However, this does not mean that traditional markets are not without weaknesses. During this time the Traditional market is better known for its weaknesses (Ekapribadi. W, 2007). Weaknesses include the impression that the market looks muddy, dirty, smelly and too dense in the buyer's traffic. Add to this the threat that society's social conditions are changing, where women in urban areas generally have a career so they have almost no time to shop at traditional markets (Cadillah. 2011). In addition to the above weaknesses, market design and appearance factors, atmosphere, layout, layout, diversity and quality of goods, promotion spending, limited market hours, and optimizing the use of selling space are the biggest weaknesses of traditional markets in facing competition with markets modern (Ekapribadi. W, 2007). According to Sarwoko (2008) common problems faced by traditional markets include: 1. The number of traders who are not accommodated 2. Traditional markets have a dirty impression 3. Merchandise that is ready-to-eat has the impression of being less hygienic. 4. Modern markets that are growing and developing are serious competitors of traditional markets 5. Low awareness of traders to develop their businesses and occupy predetermined bases 6. Low awareness of traders to pay fees 7. There are still markets whose activities are only on market days. Economic developments that occur cause competition between traditional economic activities and modern economic activities. These two things cannot be separated always go hand in hand. As happened in traditional markets facing modern retail competition. This phenomenon is reinforced by the theory of Dualism which was first coined by JH Boeke in his book entitled Economics and economic Policy in Dual Societies, 1953. According to Boeke (in Sukirno, 2005: 162) that in a society there may be two different systems. The two forms co-exist where one cannot fully control the other. According to Samuelson (1996: 214) with the conditions that occur in the market if many companies sell products that are similar but not the same it is included in the market structure known as monopolistic competition.

Monopolistic competition resembles perfect competition in three ways: there are many sellers and buyers, it is easy to enter and exit the industry, and companies consider the prices of other companies to be constant. The difference between perfect and monopolistic competition is the product. If in perfect competition the product is identical but in monopolistic the product is more differentiated. It is assumed that the products sold are not homogeneous but are deliberately distinguished through various sales promotion programs so that although the traded goods can actually replace each other, consumers have a preference to choose products from traditional markets and modern retail. Then according to Salvatore (1993: 283) monopolistic competition refers to market organizations where there are many companies that sell commodities that are almost similar but not the same. Because of the differentiation of consumers' own products that determine choices.

3. RESEARCH METHOD

Type of research is field research (field research) with a case study. Namely the type of research that seeks to explore a background (a detailed examination of one setting), or one particular event (one particular event), or one subject (one single subject) or one document storage (one single depository of document) with how to investigate exploratively, descriptively, and wholly in temporary phenomena in real life contexts Data is collected through participant observation methods, in-depth interviews (in-depth interviews), and study documentation (study of documents). The use of participatory observation is intended to directly observe the factual condition of the economy of people who have traditional shops in Jember district, while the use of in-depth interviews is intended to further explore the focus of research. While the use of documentation studies is intended to collect data that is written-whether published or not-related to the purpose of the study. The informants in the research were chosen purposively and several people who fulfilled the criteria and were believed to have had a direct impact on the establishment of a modern shop in Jember Regency. Among these criteria are: (1) The subject is long enough and intensively integrates with the field of activity that is the target of the study. (2) The subject is still actively involved in the activity environment which is the target of research. (3) The subject still has time to be asked for information by the researcher. And (4) the subject is believed to be able to provide real and authentic information. Determination of informants conducted purposively is intended to direct the collection of data in accordance with needs through the selection and selection of informants who really master the information and issues in depth and can be trusted to be a source of data that is steady, competent and credible. Of course in the selection of informants is not only based on the subjective will of researchers, but based on themes that emerge in the field. In addition to being able to understand the meaning of phenomena and symbols, researchers need direct involvement and appreciation of the object in the field. Therefore the key instrument in this study is the researcher himself. The advantage of researchers as a key instrument is that it is responsive, so that researchers can emphasize wholeness, develop bases and have the opportunity to clarify and summarize and can take advantage of opportunities to investigate responses that are

special, odd or unique (explore a typical or idiosyncratic responses) . For this reason, the presence of researchers in the field to find meaning and interpretation of the subject cannot be replaced by other tools.

4. DISCUSSION

Development in Indonesia which are being actively implemented, are aimed at the welfare of the community. Community welfare is the goal of the functioning of a country. Without the goal of welfare for the entire community in it, then the direction of development of a country can be predicted to be vulnerable to misuse by certain parties who aim to monopolize welfare for themselves, their groups, or certain groups in their network. For this reason, the government must have a very fundamental role in determining the direction of governance. This in particular avoids any loopholes for others to enter and abuse their roles. If this happens then, politically, the state will be weak because the intervention of political forces outside itself weakens the position of the state with other forces outside itself and economically the power of external capital disturbs the natural and human resources owned by the state. When external economic forces and government forces collaborate to be used to achieve the welfare of the people, a 'shadow state' is formed. The country's economic resources are one of the most vulnerable assets, especially in the context of the free trade era. In this era, various levels and sizes of entrepreneurs take advantage of the space provided by the government for profit. Inside there are micro and small business actors with various small businesses who fill the so-called informal sector and medium and large business actors who fill the formal sector. In the free market domain, the perfect competitive environment of each business actor and the high level of buyer / consumer sovereignty can create price stability and comfort in doing business. But in reality, full competition (perfect competition) is expected to occur not always in line with expectations above. Even the sovereignty of buyers is not entirely created just because of weak consumer access to monitor various marketed products. As a result, prices are unstable and competition becomes unhealthy. The main victims in this unfair environment are small and micro economic actors or the informal sector. To overcome this, a regulation is needed to arrange for the competition to be fair, so that everyone has the same position and role. Likewise in conducting business, small business actors are likely to be able to compete with giant business actors who have almost unlimited capital due to the ease of access to the diverse banks and collateral they have. This is where the role of the government is expected to be present to help resolve and create a fair business climate for both. The formal sector is quite important to pay attention to, but the informal sector is far more important to pay attention to because of its very high absorption of labor which cannot be absorbed by the formal sector. The most fertile place for informal sector business people is the market, which is all the space to peddle production results. The market was established naturally by the people based on the needs of the local community. Its function is to serve the surrounding community in meeting their daily needs. To achieve this, the government acts as a policy maker that makes it easy for selected companies to reap profits. From the profits

obtained, it will be collected and handed over to all parties under its control, in this case the entire community, where the majority of them are informal sector economic actors. This effect, in economic theory, growth is the 'trickle down effect'. For this reason, protection from the government is needed. The government must better protect small and micro traders and the existence of traditional markets as a characteristic of Jember Regency through the application of fair regulations, fair treatment, and maximum empowerment for them. For economic actors at the middle, large and giant levels, regulations will still regulate them according to their ability to compete in a fair and fair business world. Regional Regulation No. 9 of 2016. The regulation was made by the government, especially the legislative, in this case the DPRD of Jember Regency and is run by the executive, namely the Jember Regency government. One of the regulations stated is that there are limits on the number and distance that must be considered when planning a modern store. Within one sub-district in an urban area (Sumbersari, Patrang and Kaliwates) there will only be limited to as many as ten modern shops, while outside the sub-district the city is limited to only two modern stores. The distance is at least 1000 meters with other minimarkets. Regional Regulation No. 9 of 2016 this time has reached the stage of socialization to the public or related actors. The government has tried to implement policies that have been made by several actors and are expected to be implemented in accordance with the policies in Regional Regulation No. 9 of 2016. Adopting the Merilee S. Grindle model, the Regional Government of Jember Regency has not carried out its duties and functions properly due to the facts on the ground. there is a discrepancy with the policies that have been made. This means that there are still many networked minimarket that violate existing regulations. Starting from a distance close to the amount. The existence of this minimarket has apparently had a huge impact on traditional market traders, its presence has brought misery for traditional market traders and will even kill their businesses. Now the mini markets have mushroomed everywhere and have even entered densely populated areas. There are several things that explain that there are many shops or small kiosks affected by minimarkets. First, the price, where many minimarkets provide price discounts that make the prices of these goods relatively cheaper, resulting in reduced SME opinion. Second, facilities, where minimarkets have more facilities such as air conditioning and music that make consumers feel at home to shop there. Third, the most important is the service to consumers where minimarkets provide very good service, for example: politeness, greeting, to find the items desired by consumers. So that the reduced interest of consumers to work in SMEs. Development of the retail sector, will make extraordinary competition in the retail market in Indonesia. It can be seen that today retail players are those who were once big companies. From this retail competition, it will further widen the gap between the modern market and traditional markets. So it will be seen how the general conditions that occur between modern and traditional markets. It can be seen from the increasing number of modern markets and conversely there is a decrease in the number of traditional markets. From this issue, government initiatives should provide policies so that there is protection against traditional market activities, where they are people

who also need attention. Empowerment of traditional markets and also limiting the number of modern shops are part of the policies that must be implemented by local governments.

5. CONCLUSION

Government should be serious in managing and maintaining the existence of traditional markets. The government realizes that the existence of traditional markets as centers of economic activity is still very much needed by the wider community. Government regulations do have the right to regulate the existence of traditional markets and modern markets. But the rules made by the government must not be discriminatory and should not make the business world stop. Small, medium, large traders, even intermediaries or store traders must have the same opportunity in business.

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