

THE REVITALIZATION OF TRADITIONAL MARKET IN THE BORDER AREA BETWEEN INDONESIA-MALAYSIA

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ABSTRACT. *The existence of traditional markets is increasingly pressured as a result of economic and technological growths, socio-cultural changes, as well as the effects of the global environment. With regard to the theme of this study, particularly in the border areas, traditional markets have an important role because it is one people's choice in fulfilling the needs of everyday goods. Therefore, the revitalization of traditional markets in the border area is a strategic effort in order to improve the professional existence and the competitiveness of traditional markets, so as to improve the economy of communities in the border area.*

Keywords: *Revitalization, Traditional Market, Border Area*

INTRODUCTION

Traditional Market is one of the sectors of economic development in Indonesia. The existence of traditional markets is now required in order to maintain its existence. It is driven by economic and technological growths, socio-cultural changes, as well as the effects of the global environment, besides the rise of modern markets or modern stores such as mini markets, supermarkets, and others.

Traditional market is a market that has natural competitive advantages that are not directly owned by the modern market. The strategic location, extensive sales area, a complete diversity of goods, lower prices, and the bargaining system that shows the intimacy between sellers and buyers are the advantages possessed by the traditional market. However, traditional markets also have drawbacks, such as dirty location of the market, as well as the limited facilities and infrastructure in the market.

This condition is also reflected in the traditional market in the border area. The existence of traditional markets in the border area has an important role in improving the local economy. One effort that needs to be done is to revitalize the traditional market in the border area, including in facing the modern market that gives an adverse impact on the existence of traditional markets.

Traditional markets in Indonesia-Malaysia border area still generally have several obstacles to face, such as market management issues, market conditions that are still considered as dirty, as well as the limited infrastructure. With the revitalization of the market, it is expected that it will improve the welfare of the people in the border area through the

development, structuring and management of the markets, which hereinafter will also be able to boost exports. Traditional markets in the border are that are well-run, well-arranged, clean, and comfortable, are also expected to attract other residents crossing to shop.

The government's effort in addressing the traditional market downturn is to revitalize traditional markets in Indonesia, including in the border area of Indonesia-Malaysia through the Ministry of Cooperatives. One example is the revitalization of traditional markets that will be held by Riau Province in 2017 in the border area. The border areas are Indragiri Hilir and Meranti Islands District, bordering directly with Malaysia.

However, in revitalizing traditional markets in the border area, the government does not only pay attention to market conditions, trading volume, the availability of land for market improvements, the design plan for market improvement, but also to restrict the growth of the modern market.

Since the revitalization of traditional market that has been done by the government in fact does not give significant changes, it turns out that the traditional market in the border area is still dirty and not well-maintained. In connection to this, the revitalization of traditional market in the border area needs a serious attention, so as to develop it into a profitable market for the people in the border area, not only as a source of revenue for the local government.

THEORETICAL BACKGROUND

Traditional Market

Market has close linkages with the local economy, relating to the consumption, production, and distribution. The market has been known since ancient times as a meeting place for buyers and sellers to meet their needs through the buying and selling transaction of mutual benefit.

Traditional Markets, (according to Presidential Decree No. 112 2007), is a market that is built and maintained by the government, local government, state-owned enterprises and local-state-owned enterprises, including the cooperation between private sectors with businesses such as shops, kiosks, stalls and tents that are owned / managed by small and medium-sized traders, non-governmental or cooperative organization with a small business, small capital and with the process of buying and selling through bargaining.

In this case parties involved are:

- a. Suppliers
- b. Owner
- c. Consumer
- d. Communities around the market and others

As for the market management parties include:

- a. Related office (Department of Market, Regional Income Department, and Department of Industry and Commerce)
- b. Local companies
- c. Private enterprises

Management of Traditional Markets

There are four aspects of traditional market management, namely:

- a. Organization and Human Resources

- b. Production and Marketing Tool
- c. Development and Maintenance
- d. Finance

Traditional market management is developed so that it will become more professional (effective). Moreover, the objectives of traditional market management are:

- a. To create a clean, comfortable, and safe traditional market
- b. To make traditional markets as the economic lifeblood of the region
- c. To improve the welfare of traders

According to Mbersid (1995), positive characteristics existing in traditional markets are:

- a. Markets provide services to all levels of community or group and become a meeting place between these groups.
- b. Markets provide various types of services and levels of facility so that they become a place to shop and trade of various segments of society.
- c. Markets accommodate small traders from economically weak groups.
- d. Markets give a variety of side-job opportunities and supporting services.
- e. Market with a continuation of the 'traditional' raises a 'bazaar' atmosphere, the tradition of bargaining and direct relationship between human to another human.

Markets require a strategic land location, as one of the important components that support the economy of a city, a county, and a region. According to Mike E Miles (1999:225), factors that influence the choice of location are:

- a. Zoning (land use)
- b. Physical features
- c. Utilities
- d. transportation
- e. Parking
- f. Environmental impact (social and natural)
- g. Public service
- h. Acceptance / Response from society (including behavior changes)
- i. Demand and supply (population growth, employment, income distribution)

Market users can be divided into two, namely the buyer and the seller. According to Drs. Damsar MA (1997), buyers are divided into three groups, i.e.:

- a. Visitors, those who come to the market without having the goal to make purchases of goods or services, they are the people who spend their leisure time in the market.
- b. Buyers, those who come to the market with the intention to buy something, goods or services, but do not have a purpose to which place they will buy.
- c. Customers, those who come to the market with the intention to buy something, either goods or services, and have a definite purpose to which place they will buy. A person becomes a permanent buyer from a seller does not happen by chance, but through a social interaction.

Meanwhile, the spatial market, concerning the arrangement of commodity and merchandise, according to D. Dewar and Vanessa W (1990) is:

- a. The consumer / buyer can easily select and compare prices,
- b. The behavior of the buyer has many possibilities, the concentration of most goods and services provide an image effect to the costumer,
- c. Each item has a character treatment, such as where the unloading place, drainage, the washing system, etc.

- d. Each item has side effects such as the smell and outlook,
- e. Each item requires a specific environment to optimize its sales as it takes lighting and a special arrangement such as clothing, shoes, etc.

The Revitalization of Traditional Markets

Revitalization is an attempt to revitalize back an area or a part of town that was once vital/alive, but then undergo a decline / degradation. The scales of revitalization consist of macro and micro levels. The process of revitalization of an area consists of repairing the physical aspects, economic aspects, and social aspects. Revitalization approach should be able to recognize and exploit the potential of the environment (the history, the meaning, the unique location and the image of the place) (Danisworo, 2002).

The traditional market is identical with tarnishes, smelly, dirty and crowded aisles, cramped parking lot, sometimes more expensive price, bargaining, pickpocket risks, and the risk reduction of weight. Although, the condition is so undeniable that the traditional market economy illustrates the pulse of the common people. Approximately, 25% of the people depend on traditional markets, from small traders, porters, hawkers, to pedicab drivers. As a selling point, the traditional market plays an important role in moving the economy of the community, especially the middle and lower segments. Since the early on the day, they have to be prepared to seek fortune from the goods / services sold. There are 13,450 traditional markets in the world with 12.6 million merchants. (According to Ina Primiana, 1009: 70).

According to the data from the Indonesian Market Traders Association, the growth of traditional market falls to 8.1% and the growth of modern market increases by 31.4%. Obviously, we hope traditional markets will not be disappeared in the life of Indonesian society, as what happened in Bangkok city, Thailand which initially had dozens of traditional markets, but now there are only two markets which are choked by the presence of dozens of modern markets. Therefore, the key is on the government to make a provision to revitalize the traditional market.

The traditional market is an important part for the development of small and medium-sized enterprises. Therefore, it is necessary to have a proper facilitation provided by the government. The traditional market is a symbol of economic independence of the people because small and medium-sized enterprises have many roles in it. Modern markets in the middle of the existing traditional markets are expanding and shifting the role. With regard to this, it is necessary to have a fair provision. Traditional markets should not be kept away from the crowd (Rio F Wilantara, 2016: 184).

DISCUSSION

The condition of traditional markets in Indonesia, including in the border area generally faces classic problems. The infrastructure problem that becomes a serious one in the traditional market is a two-storey building which is less popular among buyers, sanitation and garbage dumps which are poorly maintained, the lack of parking spaces, and the poor air circulation, not to mention the proliferation of street vendors who necessarily harm traders who sell their goods / services within the market and should pay a full rent and retribution. Street vendors usually sell products which are nearly equal to all the products sold in the market, only fresh meat that is not sold by the street vendors. Thus, most buyers do not need

to get into the market to shop because the product they want can be bought from the street vendors outside the market.
 (The results Smeru, 2007).

As noted in the regulation by the Minister of Cooperation and Small and Medium-sized Enterprises No. 16 / PER / M.KUKM / XII / 2016 on guidelines for the Implementation of The Traditional Market Revitalization through the Assistance Fund for Fiscal Year 2017, it mentions that the border area is part of the country which is located on the inner side along the boundary of Indonesia and other countries. In terms of land boundaries, the border area is located in the district, while the revitalization activities in the border area aims at: a. meeting the availability of viable marketing tool; b. improving market access and strengthening product marketing network of cooperatives and small micro enterprises; and c. promoting the growth of cooperative efforts in order to enhance the contribution of cooperatives for the regional economy.

Based on empirical facts, traditional market revitalization activities in several districts / cities in Indonesia are contextual as described in the following table:

Table

The Revitalization of Traditional Market Model with Cooperation Pattern between Government and the Development Party

No	Revitalization Patterns	Advantages	Disadvantages
1	Government and Local Government	<ul style="list-style-type: none"> To emphasize on the repair (renovation) of physical traditional market building. 	<ul style="list-style-type: none"> After the renovation or rebuilding of the traditional market 3-5 years later, the market buildings that have been renovated or rebuilt along with the management of the market look chaotic. The market condition becomes dirty, just like the old situation before the renovation or rebuilding of the market. The maintenance and treatment activity is very minimal because of the local budget constraints. This happens because the revitalization of traditional markets is still limited to merely the physical building and is not followed by the maintenance and treatment activities of the physical market construction.

2	The development undertaken by the Local Government in cooperation with the private party	<ul style="list-style-type: none"> • The private party act as the developer which has the right to sell the stalls at a specific location, the Local Government acts as the manager of the relevant market when it has been completely renovated • in some areas, the private party acting as the developer is also entrusted to manage the market after a complete renovation by conducting private management which is usually more professional than the management conducted by the local government, so the market looks more neat, clean and comfortable. • generating greater multi-storey market building that looks magnificent • Developers consider that if a bigger, better and more grandiose market is built, then the market will be more crowded because there will be more visitors or buyers. • The developer and manager of the market should make the new traditional markets more attractive to visit than other markets including modern market that had already been there. 	<ul style="list-style-type: none"> • The planning process of the new market building is not too detailed in considering the number of merchants who will sell their products and the number of buyers that will be served in the new market later. • The developers do not consider that there are other shopping places that are already in operation attracting many visitors. • Oftentimes, these efforts fails, thus the new traditional market seems empty with less visitors and some of the traders close their business activities.
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Source: *THE EVALUATION OF MARKET MANAGEMENT POLICY IN BANDUNG*, Caroline Paskarina, et al, 2007. (Data reprocessed)

The revitalization itself is not only something that is oriented towards the completion of physical beauty, but it also must be equipped with the economic improvement of society and cultural recognition. To carry out the revitalization process, community involvement is also needed. The involvement is not just to support aspects of the formalities that require the participation of the public. The people involved are not only the people in the neighborhood, but also the public in the broad sense.

The strategic role of traditional market is needed in the efforts to improve the competitiveness of traditional markets. The poor image of traditional market as seedy, chaotic, dirty and a source of traffic jams, should receive great attention because it relates to the livelihood of many people. Traditional market revitalization to be a good shopping place

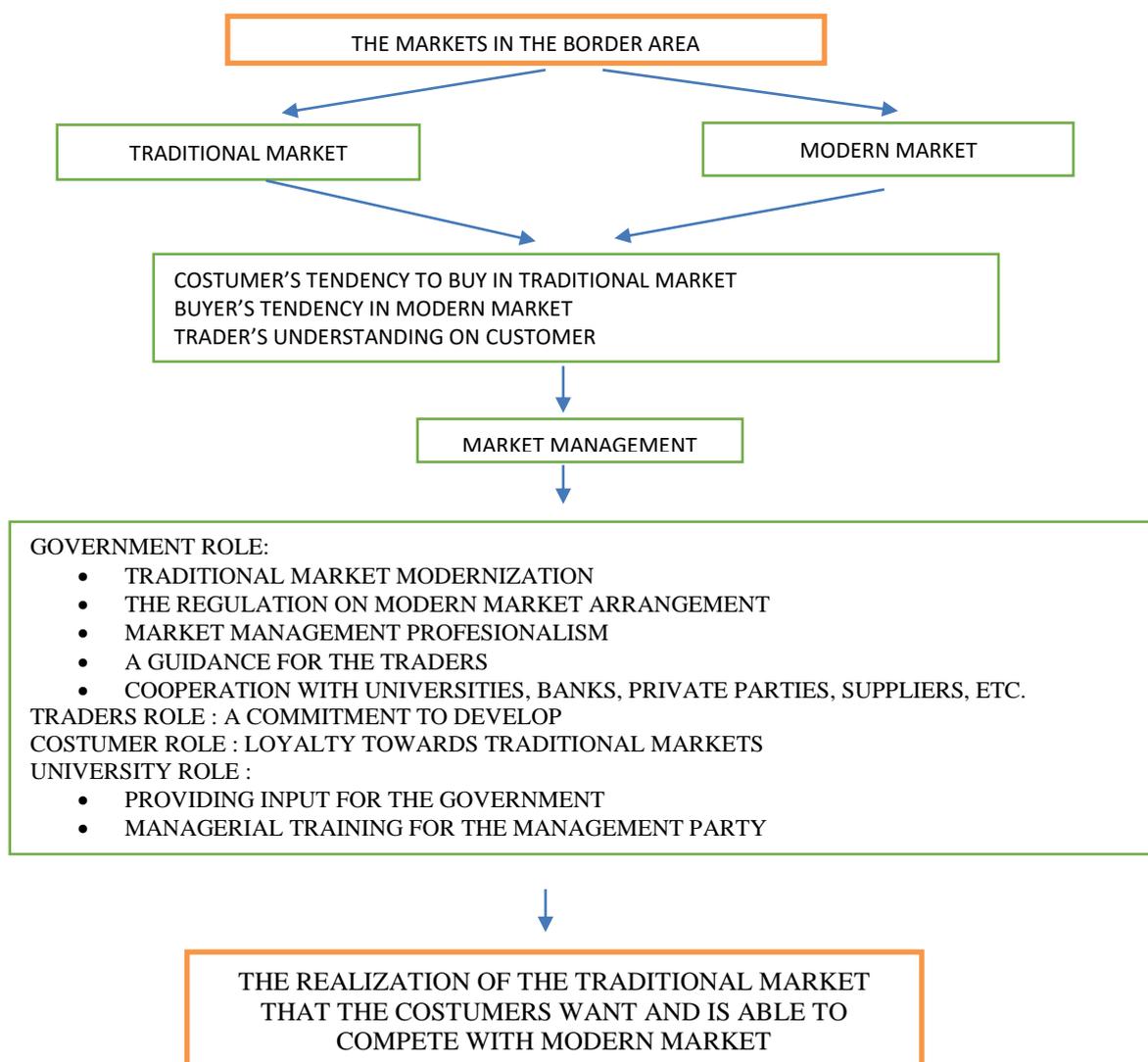
with a positive image is a tough challenge and should be pursued as a sense of responsibility for the public.

The revamping the traditional market is not the only task of the government but also the public, market managers and traditional traders to synergize and erase the negative impression, so that the traditional market can continue to exist in the midst of increasingly fierce competition.

In relation to this matter, the revitalization of the market needs to be supported by the market management which is professional and competitive, among others:

- a. Market managers must have a clear vision and mission regarding the direction and shape of the traditional market developed in the future.
- b. The key task of market management is to provide guidance to merchants, create conducive and proper market condition and try to seek a smooth distribution of goods so as to create the item price stability.
- c. Market managers should understand their duties and functions as the manager. The orientation of local government is more inclined to the increase in revenue rather than the increase of service to the community. In this case, it is supported by management's SOP (Standard Operating Procedure) of traditional markets.
- d. Financial management which is accountable and transparent
- e. Physical facilities maintenance
- f. Market managers also conduct the supervision of products and the standardization of sizes and scales, in cooperation with the relevant parties
- g. Public facilities, parking, clean restrooms, and regular garbage and waste disposal.
- h. The ability and assertiveness of market management in managing stalls and shanties properly and neatly.
- i. The existence of the Association of Traditional Market Management is expected to provide a solution and togetherness in determining the attitude and direction so that the traditional market still exists and develops into a solid modern and competitive traditional market.
- j. The mental attitude of entrepreneurship for market managers and management.
- k. The safety factor, and others.

Regarding the revitalization of traditional market in the border area, it is important to pay attention to the impact of modern market in the border area. In relation to this matter, based on the result of a research conducted by Noor Kholis, et al (2010) regarding The Development of Consumer Behavior-based Traditional Market Management, it can be applied to The Traditional Market Management Model in the border area, as shown in the following figure (the next page):



Regarding the market management, Luther M. Gulick in pasolong (2011: 85) states that the management functions are planning, organizing, staffing, directing, coordinating, reporting, and budgeting. As of the eight of the existing management function, it refers to the result of the research. There are two indicators of the problem, namely planning and budgeting. It can be explained that planning an initial plan drawn up by the parties in implementing the goals of the plan. The early planning of the formation of the traditional market is hampered due to plans made cannot be realized. One obstacle is used in rebuilding the market. Without a budget, then the structuring of market cannot be run in accordance with the existing plan.

It can be seen that sometimes the budget from the local governments is constrained by the central government policies, such as the condition shown from the result of the research in Badung Market which has to wait the central government decision. Whereas, if we retrospect, the Badung Market revenue in 2011 exceeded the planned target which was Rp 15,135,334,486, the excess was estimated at Rp 800 million. From the result of field data it is

possible that Badung Market is able to organize itself to fit the established plan. However, in reality, these surplus funds are brought to the central government to be managed and reorganized. Thus, it can be concluded that the obstacle of management policies and structuring of Badung market lays on the budget in implementing the policies as well as the field cooperation or coordination.

The policies regarding the arrangement of the traditional market have several constraints in the implementation from both the market supervisor and the traditional market traders. The obstacles encountered in implementing Denpasar Mayor's regulation No. 9 2009 lay on the delay of the implementation of the policy and the coordination which is run less effectively due to the decentralized institutional system in which the market is managed by the local government and the arrangement should wait for the coordination from the central government. However, from PD market, they have a solution in the structuring of Badung market by making self-funding arrangements, including cooperation conducted by the PD market with Badung market traders. It can be explained that (1) Badung market traders will be subject to expensive funding if the construction of the kiosk is done by PD Market and (2) Badung Market traders will pay cheaper if the construction of stalls and kiosks is done by the Badung Market traders in accordance with the regulation set by PD (Denpasar Market). With these solutions, the obstacles encountered can be solved if self-funding can be run in accordance with the plan set by Denpasar Market. To execute the plan, there must be field coordination between PD and Badung Market traders. Self-funding planning is done transparently to prevent things which are not desirable.

CONCLUSION

1. Government Policy and Local Government in revitalizing the traditional market is focused on the repairs (renovation) of physical building of the market, yet it has not realized the long-term oriented professional and competitive market management.
2. Traditional market revitalization model should not only focus on increasing the revenue, but also side with the interests of the wider community. Therefore, in initiating the model, market management should involve various stakeholders, including the Department of Market Management, the Department of Buildings, Department of City Planning, Department of Transportation, *Koppas*, the association of traditional traders, developers, and so on so that the interests of each party can be accommodated fairly.

Suggestion

1. The traditional market revitalization must consider factors other than the physical building, namely the development of institutions (institutional building) as market management which includes the Organization and Human Resources, Production and Marketing Tool, Development and Maintenance of the market in a long term.
2. The need to change the paradigm of market management, the revitalization of traditional market as a long-term investment to create benefits for society.
3. To improve the distribution channels of commodities that are traded in traditional markets, ranging from sorting the commodity; transportation; unloading and loading; packaging; to the sale of commodities on the market.
4. Enforcing the regulation related to the management of the market consistently, for example, regarding the zoning, land use, licensing for the modern market, minimum distance limit of modern market and traditional markets, limiting the construction of modern market in the people's settlements, setting the loading and unloading goods, giving a guarantee on quality control of the commodities, etc.

5. Developing cross-stakeholder partnership models to empower traders in traditional markets as well as strengthen the bargaining position in traditional market in competition with the modern market.
6. Developing the creativity in the management of traditional market, such as by establishing thematic markets for the development of modern markets, for example, the specialty markets selling textiles, electronics, building materials, etc. Through this model, it is expected that the modern market does not monopolize all commodities that cause traditional market competitiveness to get weakened.

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