

# Traditional Market Traders and Local Institutions in Malang City

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## Abstract

The market is where sellers and buyers meet and price is formed. In Indonesia, there are 2 types of markets, namely modern market and traditional market. In this article discuss about traditional market. Traditional markets are an important economic sector for the majority of the population in Indonesia. Some communities rely heavily on traditional markets. Activities in traditional markets can move the local economy and absorb labor. The purpose of this study are: 1. Explain the description of traders in traditional markets in the city of Malang. 2. Describe the description of local institutions that cooperate with traditional market traders in Malang. This research was conducted in Malang City, East Java Province and included in survey research. Number of population 450 traders of traditional markets, samples of 80 traders who meet the criteria. Data were obtained from questionnaires, observations and submissions. After the data were collected through questionnaire, the data were analyzed using qualitative method to explain the traders' description in traditional market and local institution in Malang. The result of this research is to develop the ability of traditional market traders, then to be socialized, guidance and assistance in a sustainable manner.

**Keywords:** Traditional market traders, local institutions

## INTRODUCTION

Traditional market is one supporter of Indonesia's economic sector with important role for our majority society. Many of them are highly dependent to commercial activities in traditional markets. One unique characteristic from traditional market is about the visitors who are not always be buyer but sometime can be seller too. In fact, every people can sell their commodities at traditional market. From this perspective many people are becoming sellers in traditional market as another choice of job alternatives among huge unemployment rate in Indonesia. The commercial activity in any traditional market is capable to power up local economic businesses and absorb lots of unemployed workers in Indonesia. Regional Government Financial Budget (*Pendapatan Asli Daerah*) from seller's retribution in traditional market is reaching 3,2 billions rupiahs. Malang as a town has 28 traditional markets that spreads in to 5 different subdistricts (*Kecamatan*) from Lowokwaru, Klojen, Blimbing, Sukun and Kedungkandang. Parts of the markets are run with outside investors, like The Dinoyo Market, The Blimbing Market, and Gadang Central Market with some beneficial effects such as building renovations for several traditional markets so far. In 2016, markets that underwent renovation buildings were The Dinoyo and Oro Oro Dowo Markets. This traditional market's renovation activity is a joint business between the local government and related investors.

From time perspective, all sellers are spend time almost every hour from early morning to evening with many different variations of activities. Especially for fruits and vegetables sellers, where late at night must go to make some transactions to Gadang Central Market at Malang city because of cheaper prize of many fresh commodities. Then in the morning afterwards most sellers will make selling transactions in their own traditional markets until evening. From these perspectives above, the writer postulates two research problems: 1. How is the image of traditional market's sellers at Malang city and 2. How to create a good and harmonious joint cooperation between traditional market's sellers with any local institution exists in Malang city.

## STUDY LITERATUR

A market is a place where some people who sell commodities or called as sellers can gather and display their selling commodities, and there are some people who want to buy the goods. A market will be the place to engage any direct transaction between seller and buyer. This place can take a form of building with some kiosks, counters, cabins, or open ground site with small tents that arranged by its seller or the personell who is in charge of that place, or on open road by using rugs for the customer's seat and carriage along the road.

Market has three main function, for distribute, for create market price and for promote functions. As distribution functions, market plays as supplier of commodities and services provided by producer to consumer through buying-selling transaction. As market price creator, they will be helped by sellers who negotiate and making demand to producer about the requested goods. As promotion function, a market can facilitate the introduction of new products from certain producers to consumers.

A traditional market as one of market kind is a tool to power up the society economy in related areas. It becomes a socio-cultural asset from the society because it can give great economic benefits to them. These benefits are taking form as economic activities, to meet demand and supplies inside a place that we call as

market. The communication about policy management of traditional market is a information deliverance which included in policy implementation program issued by Management Division of Gadang Traditional Market to Tehnical Implementor Division that will be informed to policy's target group along with related party. (Prihatminingtyas, 2016). Blimbing. Communication activities, information, health education is done through counseling on traders Market Blimbing (Lasri 2016)

However, traditional markets are experiencing massive challanges these days. These obstacles can be redeem through some ways. One of its way is taken from the research by Anung Pramudyo, 2014 who said 'some efforts to protect the existence of traditional market are: 1. To create regulation that considers society's need especially for those who trade in traditional market, 2. To make revitalization activity for every traditional market, 3. To enhance human resource capability and its market managements. 4. To improve its service quality, and 5. To make development innovations of those traditional markets by involving society in its management.

Taking a view from financial funding, money owned by traditional sellers generally come from their own (individual source) with very limited amount. From the location, traditional market also come so far behind from their opponents, the modern market. Mostly, traditional markets in Indonesia have uninteresting lay out of place and also looks slum.

However, there are some competitive values of traditional market compare to modern market, such as: 1. Traditional market allows buyer and seller to engage price bargaining, 2. Traditional market offers a generous price, 3. Traditional market (from culture point of view) is a public place where occurs many social interactions among people, where people will not just buy and leave the market but sometimes they will have conversations about many things before they left.

By the establishment of many modern stores or modern markets like Supermarket, Indomaret, Alfamart, Supermal and PT. Hero Supermarket will add negative impact on traditional markets. As a comparison, many products that sell inside modern market usually arrange in a attractive positions with extra value of some discounts for several items, where at traditional market, the products usually put in muddy and dirty spaces. Also from the outside of the market, their parking lots are unarranged and causing traffic jams around it. (Prihatminingtyas, 2007). While at modern markets, their parking lots are large and comfortable, have ATM facility, have a good service, have a praying room and hygienic toilet. Then, at transaction time, the buyer does not need to meet the product owner in person, because they only need to look at the label of goods, when it fits to the buyer's need, he or she can pay it immediately at the cashier.

One of many aspects related to market existence is the local institutions which establish as an order and relationship pattern between member of society or inside an organization which interrelated and determine the shape or kinds of relationship between its people or people inside an organization. It has some boundaries such as factors of norm, formal ethical conduct or informal conduct in reaching their corporate goals. This local institution is one important element in society development.

## RESEARCH METHODS

This research is held at Malang city of East Java Province as a survey research. Total population of this research is 450 traditional market's sellers with 80 sellers qualified for the sample population. According to Sugiyono (2004) a survey research is a research conducted to small or large population but the learnt data will be data comes from sample which are taken from its population. After data is collected through questionnaire, then, next step is making data analyzis using qualitative method to explain the image of feasibility or eligibility level of traditional markets from market aspect, financial aspect, economic aspect or environmental aspect. afterwards, there will be some activities such as socialization, counselling and assistance activities for creating a plus value for traditional markets.

## RESULT AND DISCUSSIONS

Over times market has been embodied inside our society and possess important part in their living, for them a market is not only the place where seller and buyer meet but it also one place to engage many social interactions. Based on the result of this research about the image of traditional market at Malang city. Traditional market has a unique characteristic, many selling products in this kind of market are different than the products sell in modern market. The operational time or working hours in every traditional market also vary : 1). 24 hours a day, the sellers stay the whole day in the traditional market, 2). Open only early in the morning, starting from midnight to 12 noon, although the sellers are only few. 3). Open from 2 p.m to late at night, this kind of market only open from midday until midnight.

Approximately 80 % of sellers in the traditional market are making economic activities to increase their families welfare. While 15 % others are making economic activities to fill their spare time and the least, 5% of them are making economic activities to lift up their social status. The educational level of traditional market's seller are: unfinished Elementary School, Elementary, Junior and Senior High School graduates, and some University graduates. Their educational statistic data are as follow: unfinished Elementary School (10%),

Elementary school graduates (10%), Junior High School graduates (25%), Senior High School graduates (40%) and University graduates (10%). This information is showing that those who were not finish their elementary school (10%) has the same percentage with those who were graduate from university (10%).

This information means that in making commercial activities in traditional market has no education requirements, as long as all sellers willing to compete with others then they will be succeed. The key success for all selers in traditional market is to have background knowledge of their commodities, skills of selling and well behave attitude toward buyers. One tricky problem that should be anticipate by sellers is the price gap. If one seller try to raise the price then buyer will go to another sellers who give cheaper price, therefore sellers must compete to give the best price and maintain quality of their products to raise the quality of our traditional markets.

Malang city has huge potencies from many traditional markets which can be elaborate into positive value. Traditional market gives opportunity to job employment for those who have or who have not get working experience in selling commercial goods. The activities of their sellers start from making economic effort to fulfill their families need which eventually will lead to good competency for making various economic efforts in the traditional markets.

Based on time duration or how long the sellers are marketing their goods, the number is ranging from: less than two years (30%), 2 year 1 month up to 4 years (35%), 4 years 1 month up to 6 years (15%), 6 years 1 month up to 8 years (10%), and more than 8 years in the practice (10%). This means that longer time in practicing selling stuffs at the market will add some knowledge, ability or marketing skills and good behaviour of the traditional market's sellers.

Many commodities sold in traditional market have different brands or types than commodities sold at modern market. The commodities grouping at traditional market are as follow: vegetable seller's group, fruit seller's group, fish seller's group, and staple food seller's group. One positive quality from goods at traditional market such as vegetable, fruit and fish are display in fresh condition, and the fixed price also can be bargain and if the price is accepted by the sellers then the buyer can have these goods in cheaper price.

Next, traditional market must maintain the comfortable feeling and its hygienity to attract customers when they shop at any traditional market. Changing mindset of the sellers also important to raise their income and welfare. Market should be created in a more imaginative, creative and recreative spaces to attract more customers who will feel homey and comfortable when they are shopping. If these suggestions are implemented by traditional sellers then their markets can compete with any modern market such as hypermarket, supermarket or minimarket.

To strengthen our populist economic, there are steps to develop traditional markets at Malang city. Its development will not relate only to physical development and physical revitalization but also in several aspects such as its management, sosio culture, and real economy inside the market. while the economic revitalization will come in a form of easier access for the traditional market's sellers. About their financial capital, especially the early capital that should have by traditional sellers is not as big as the capital that must be owned by modern sellers which mostly big and sometimes earned from borrowing to bank or other financial institutions.

The basis of Indonesia's populist economic for their market sellers widespread throughout remote villages, settlements, and urban areas where it already in movement to help society to absorb many unemployed workers, increasing the amount of business units also supporting household income for Indonesian society (Sinaga, PARIAMAN, 2004).

Approximately around 95% of traditional market's sellers ever made some loans with amount depends on their needs at those moments. The source of their loan comes from formal financial institution or banking services. To name some examples are the closest bank in their areas (traditional market) such as Bank Nasional Indonesia, Bank Rakyat Indonesia, Bank Central Asia or Bank Jatim. Whereas for the source of loan comes outside banking services is: 1. Local institution that created inside its traditional market. A money lender or loan shark called this loan as fourteen loan which means that within a month the money that the traditional market' sellers borrow must return it at 140%. Another loan service is BAT loan or *Bank Antar Teman* (Banking Between Friends) which means the money that they can borrow along with its interest are according to the agreement between the lender and borrower, and its amount can be adjusted to their needs. Based on research result, 95% of their loans will be in a care of its borrower, while the 5 % as the rest of it can be delayed or if the borrower have extra incomes, they can pay it back right away, but if they are unable to pay now then it can be delayed.

In Indonesia, almost every communities has local institutions, just like traditional market in Malang city which have two institutions that registered in this local authorities: 1. Formal institution which is created by *Dinas Pasar Kota Malang* (Malang City Market Unit) and 2. Non formal institution which is created by small groups of sellers in traditional market that must have 5 members in minimum.

Market sellers have their own way to connect or making a harmonious relationship to its local institutions by conducting some usual activities for once a month. To strengthen their bonding, market sellers must donate

for general retribution and voluntary retribution, saving money and borrowing money at their saving and loan's unit and be a member of montly savings where sums of money will be adjusted to its member's agreements. In these meetings the sellers usually inform or telling others about the problems that they had and together they will find solutions to overcome or deal with the problems that they had in the traditional markets. Achieved, among others, 1. To issue final report in a form of journal. 2. To develop science and skill of the two partner. Susanto R Y dan Prihatminingtyas, Budi ( 2015)

As a visionary perspective, the existence of traditional markets must be maintain among our society because this market is a symbol of populist economic and our social cultural place that inhereted from time to time. Therefore, hopefully traditional markets in the future can be establish as Tourism Market in this city.

## CONCLUTION

1. Traditional market has huge potencies to be developed. Therefore, we need to re-establish the society awareness for shopping at traditional markets across Malang city.
2. There is a demand to have government regulations which act to arrange the existence of traditional market and modern market to make our traditional market long live and co exist with modern markets today.
3. To strengthen traditional market's seller position, they must create a good and harmonious relationship between sellers and local institutions inside Malang city.

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