

IMPLEMENTATION OF MODERN AND TRADITIONAL MARKET STRUCTURING POLICIES IN THE PERSPECTIVE OF BUSINESS COMPETITION

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ABSTRACT

KEYWORDS

modern; market; order

The implementation of the Modern Market Control Policy in the City of Cirebon is the responsibility of the Regional Government of the City of Cirebon in order to control the development of the modern market and protect the traditional market against the continuity of business competition in the City of Cirebon in line with the spread of the establishment of modern markets spread across the City of Cirebon. The formulation of the problem in this research are (1) Local Government Policy in structuring and controlling modern shops; (2) the constraints of the Cirebon City government in implementing and controlling the existence of modern shops. This research uses normative legal research, namely the approach of field research by seeing and observing what is happening in the field and the application of legislation in its implementation. The object of this research is the Department of Trade and Investment of the City of Cirebon. The results of this study are: The implementation of Cirebon City Government policies in the context of controlling Modern Markets in Cirebon City, namely by implementing a Licensing Moratorium to maintain order with the growth of modern markets in Cirebon City, this also needs to be done in the context of business protection for MSMEs. Obstacles faced by the Cirebon City Government include obstacles in supervising and controlling unlicensed modern shops/markets.

INTRODUCTION

In Indonesia, markets function as economic centers for people from various social strata in Indonesia. Initially, transactions in the market were carried out through a bargaining process; however, this technique takes a long time to get the right price (Arafat, 2021). Modern stores now offer convenience to customers by eliminating haggling by displaying prices on price tags that can be read by machine readers.

To improve the economy, Indonesians are looking for business opportunities by setting up businesses, both individually and in groups (Khamimah, 2021). However, the market—the drive to meet needs as a whole increases as needs increase and advances in technology and information. In everyday life, a market is defined as a public place to buy goods.

Indomaret and Alfamart are two of the most popular growing modern retail businesses in Indonesia. Both are in dozens of major cities across the country, and both exist side by side and compete to attract customers (Rohmania, 2023). Both are in strategic locations in Cirebon City.

Article 17 Paragraph (1) of Law Number 5 of 1999 prohibits monopoly and unfair business competition, and prohibits market domination, which states that "Business actors are prohibited from exercising control over the production and/or marketing of goods and/or services which could result in monopolistic practices and/or unfair business competition" (Susanto et al., 2019).

Implicitly, the emergence of minimarkets such as Alfamart and Indomaret shows the development of capitalism in Indonesia. The Pancasila economic system prioritizes family values, but capitalism allows capital owners to control the economy in the most profitable way (Umam, 2017). As a result, owners of large capital will have greater financial resources than everyone else.

Modern markets have a serious impact on the development of traditional market businesses. For example, before the existence of modern markets, traditional markets were of course the main centers of business and sales which provided positive value to the economic and social circulation of society, but in line with the existence of modern markets today, they certainly have an impact and influence on socio-economic, so that business competition is increasingly wide open between traditional markets and modern markets, this is shown in the decline in buyers at traditional markets or grocery stores, people prefer modern markets because the facilities and comfort offered are much different from traditional markets (Permatasari, 2017).

Looking at the retail business in Cirebon City itself, the existence of these two retailers has mushroomed quite widely throughout the areas in Cirebon City, but as time goes by, the existence of modern/retail markets also needs to be paid attention to by the government regarding efforts to continue business competition and protection for kiosk traders. small businesses which in principle use a people's economic system. Although the spread of Indomaret and Alfamart minimarkets has a beneficial effect because it shows rapid economic growth and encourages investment, it can also make small kiosk traders nervous. In addition, these unfair conditions can cause social jealousy among small traders. The goal of business is to make a profit, according to business ethics (Sentono, 2002).

The establishment of a modern shopping center or traditional market must take into account the socio-economic conditions of the community, as well as the existence of traditional markets and small and medium businesses in the area (Kupita & Bintoro, 2012). They must also provide facilities that ensure modern shopping centers are clean, healthy, comfortable and orderly, as well as providing comfortable public areas.

This research question is focused on how the Regional Government's policy in structuring and controlling modern shops is in accordance with Perwali No. 23 of 2010 and what are the obstacles for the Cirebon City government in implementing and controlling the existence of modern shops.

RESEARCH METHOD

Legal research uses a variety of methods to obtain information on various aspects of a problem. The following is the methodology used in legal research (Tan, 2021):

- a) statute approach;
- b) case approach;
- c) comparative approach;
- d) analitical and conceptual approach;
- e) the fact apporoach;
- f) historical apporoach;
- g) world and phrase approach.

Thus, the author wants to apply a statutory approach in this research.

Primary, secondary, and tertiary legal materials are three types of sources of legal materials. The explanation is as follows:

- a) Primary legal material: Mayor's Regulation Number 23 of 2010 concerning the Layout of

Traditional Markets, Shopping Centers, Modern Stores/Minimarkets in the City of Cirebon is an example of binding legal material.

- b) Secondary legal materials, which are materials that explain primary legal materials, such as literature relevant to research.
- c) Tertiary legal materials, which are materials that provide direction and explanations about both primary and secondary law, such as legal dictionaries.

RESULTS AND DISCUSSION

In general, rules or policies determine how someone, such as an official, group, or institution, will act to resolve a problem. Basically, many policy explanations have limitations or meanings. Noeng Muhadjir describes policy as an effort to solve social problems for the good of society by using the principles of justice and social welfare as a basis (Saputra, 2022). Policies must fulfill at least four important goals: (1) improving people's quality of life, (2) realizing social justice through law, social justice, and opportunities for creativity and individual achievement, (3) giving people the opportunity to participate actively in discussions, planning, decisions, and implementation, and (4) ensuring that progress continues to occur.

Traditional and modern retail are two types of retail business in Indonesia. Clown shops, traditional markets such as kiosks, tents, etc. are examples of traditional retail (Utomo, 2011). Based on the idea that traditional retail is all types of small shops with little capital, this group of retail businesses uses simple facilities.

In Cirebon City itself, the existence of these two retailers has mushroomed quite widely throughout the areas in Cirebon City, but as time goes by, the existence of modern/retail markets also needs to be paid attention to by the government regarding efforts to continue business competition and protection for small kiosk traders who are the principle of using a people's economic system. Although the spread of Indomaret and Alfamart minimarkets shows rapid economic growth and encourages investment, this spread can also disrupt small kiosk traders. Social jealousy among small traders may arise as a result of this unfair situation. According to business ethics, the goal of business is to make a profit, but this must be done carefully and in accordance with applicable legal regulations (Sentono, 2002). However, until Cirebon Mayor Regulation Number 23 of 2010 was implemented, the impact of the emergence of modern markets in Cirebon City was still not significant in terms of the impact on modern shops and markets so that the existence of contemporary shops greatly influenced the existence of business competition in modern markets and shops.

Based on the results of the interview regarding the procedures for obtaining a supermarket business permit in Cirebon City, they are as follows:

- 1) Applicants use the OSS application to register online to obtain a Business Identification Number (NIB).
- 2) Applicants register online via the ptsp.cirebonkota.go.id website and upload all requirements in full then take a queue number at the Front Office to submit offline files.
- 3) The officer receives the administrative requirements file from the applicant to print out its completeness, then the file is given to the head of the PTA2 section for verification (equating it with what is in the file) after being declared correct and complete then handed back to the front office officer for a receipt to be made. If it is incomplete then the file returned to the applicant for completion.
- 4) The head of the PTA2 section records the permit/non-permit application files in the register and then schedules them for a consideration meeting with the technical team and makes a meeting invitation. If a technical team discussion/meeting is required, the files can be submitted immediately.
- 5) Holding a technical team meeting to consider whether the application can be approved,

- postponed or rejected if a field application is made.
- 6) The head of the PTA2 section receives the files resulting from the technical team meeting on applications which are approved and recommended for submission to printing. Meanwhile, those that are postponed will be written to complete them.
 - 7) The officer prints the permit document based on a recommendation signed by the head of the technical team and then submits it to the head of Integrated Section 2.
 - 8) The section head corrects, verifies the permit documents and check list in the online application, then initials them and approves them to the head of integrated services sector A.
 - 9) The head of integrated division A validates the permit documents applied by the online system and affixes initials. If they are not appropriate, they are returned to the officer for correction.
 - 10) The Head of DPMPTSP signs the permit document or notification letter and electronic verification if the document is appropriate, then given to the officer, if it is not appropriate, it is returned to the PTA department for correction.
 - 11) The head of integrated service sector A receives the permit document or rejection notification letter which has been signed by the head of the DPMPTSP. The original document is handed over to the handing officer and archives the copy.
 - 12) The document delivery officer gives the original permit document to the applicant accompanied by a receipt for the file.

Apart from the rapid growth of market centers, especially modern shops, one of the factors driving Cirebon City's economic growth is the implementation of modern shop planning policies, which are the same as the formulation process, namely rational and top down choices. Although this growth made many immigrants work and increase the workforce, it also forced many small home-based traders to close. Due to intense competition, traditional markets are also losing turnover because they cannot compete with modern retail.

The main objective of Mayor Regulation Number 23 of 2010 is to regulate and supervise the placement of modern shops in the Cirebon City area. These objectives are stated in Articles 3 and 4. The city government decided to issue PERWALI (Mayor Regulation) Number 23 of 2010 to regulate the location of traditional markets and modern shops or mini markets around the city to reduce the negative effects of the growth of modern shops. Although this regulation should benefit both entities, the fact is that modern stores are more dominant in traditional markets. The aim is to provide greater benefits to society as a whole, especially in Cirebon City. Maintaining a balance between traditional markets and modern stores, however, still needs to be considered.

Mayor Regulation (Perwali) Number 23 of 2010 has interesting consequences regarding the regulation of traditional markets and shopping centers, modern shops and minimarkets in Cirebon City. (Sitompul, 2022). Even though this regulation should clearly regulate the zoning and layout of traditional markets, as many as 33 minimarkets are operating without valid establishment permits. In addition, the development of modern shops in the city shows irregularity, as shown by the location of shops very close to each other. This condition raises questions about how effective the Perwali is and whether additional measures need to be taken to ensure that minimarkets and contemporary shops operate in accordance with the regulations and urban planning plans that have been established. Apart from that, the Perwali also contains the basic principles of the establishment structure, aspects of the socio-economic environment of the MSME (Micro Small and Medium Enterprises) partnership. Apart from that, the trustees also explained how to evaluate the development of minimarkets within a three year period based on indicators of population density, development of new settlements and household

income levels. However, the Mayor's Regulation (Perwali) does not provide a detailed explanation regarding important aspects, such as the minimum distance allowed between markets, the criteria for the number of residents needed to maintain market continuity, as well as the sanctions that will be imposed on business actors who violate these regulations. . This lack of information creates loopholes that allow business actors to deliberately violate established provisions, given the lack of clarity in the regulations.

Modern Store Data

Modern shops, which are usually referred to as "modern shops", sell a variety of goods with an independent service system. There are several variations in the form of modern stores, including minimarkets, supermarkets, hypermarkets, department stores and shopping centers. Each type of modern store has a unique way of providing services and goods to customers.

Table 1. Number of Additional Location Points for Modern Shops stipulated by Mayor Regulation No. 23 of 2010 in Cirebon City in 2018

No.	Subdistrict	Amount
1	Kejaksan	4
2	Kesambi	11
3	Lemahwungkuk	4
4	Harjamukti	2
5	Pekalipan	4
	Amount	25

Source: Cirebon City DPKUKM

It can be seen in Table 1 that the number of modern shops in each sub-district is different, meaning that the distribution of modern shops is not evenly distributed. Kesambi District is an area with the largest number of supermarkets, hypermarkets, department stores and shopping centers compared to other districts. Meanwhile in Harjamukti District there is only 1 (one) supermarket, namely Giant.

Table 2. Number of modern shops (minimarkets) in Cirebon City in 2018 (by sub-district)

No	Subdistrict	Amount
1	Kejaksan	21
2	Kesambi	25
3	Lemahwungkuk	10
4	Harjamukti	30
5	Pekalipan	10
	Amount	96

In Table 2, it can be seen that the distribution of minimarket locations in each sub-district is uneven. The largest number of minimarkets is in Harjamukti District with 30 units and Kesambi with 25 units, Kejaksan District has 21 minimarkets, Lemahwungkuk District has 10 minimarkets and Pekalipan District has 10 minimarkets.

Minimarkets that have been established are generally PT franchise businesses. Indomarco Primatama (Indomaret) and PT. Source Alfaria Trijaya (Alfamaret). The remainder are Yomart (2 units), Hotmart (2 units) and CV owned by individuals (6 units). The establishment of modern shops takes into account the population factor in the area where the modern shop will be established.

Seeing the development of modern markets spread across the Cirebon City area and in order to protect MSME traders in increasingly competitive business competition, the Cirebon City government is making efforts to control the practice of establishing modern markets by implementing a licensing moratorium on new modern shops whose permits are submitted to the Cirebon City Regional Government. Of course, this policy is a solution policy for the development of modern markets and in order to ensure business competition between modern markets and MSMEs is well maintained. spread across the city of Cirebon. In 2018, there were 10 traditional markets in Cirebon City, spread across all sub-districts. Kanoman Market, with 1,982 traders, has the largest number of traders compared to all other traditional markets (Astuti et al., 2019).

Table 3. names of traditional markets in Cirebon City and the number of traders. Kalitang Market has now been relocated to become Harjamukti Food Market (PPH)

NO	Traditional Market Name	Number of Traders
1	Pasar Kanoman	1,982
2	Pasar Pagi	1,290
3	Pasar Jagasatru	701
4	Pasar Kramat	221
5	Pasar Drajat	297
6	Pasar Perumnas	413
7	Pasar Pangan Harjamukti	1,633
8	Pasar Balong	81
9	Pasar Gunung Sari	188
10	Pasar Kebes	57

Source: dpkukm Cirebon city

When planning the establishment of a new traditional market, there are several important things that must be considered in the context of the Cirebon City Environmental Cleanliness and Beautification Management Service for Micro, Small and Medium Enterprises (DPKUKM). This includes:

- 1) The new traditional market that will be established must be 5-10 km away from the market that was previously established
- 2) The population density / new settlements is 300-500 people
- 3) The public transportation route (city transportation) is easy, there are at least 3 city transportation routes that pass through this route

The growth of traditional markets in Cirebon City is not as fast as modern shops. Traditional market locations are spread across every sub-district. The priority issue is to ensure that the arrangement of the new traditional market is clean, comfortable and safe so that it can attract people's interest in shopping there. Apart from that, coaching steps are needed for traders in traditional markets, especially related to market management and capital aspects. Thus, traditional markets have the potential to compete with modern stores and maintain a significant market share.

The establishment of a modern shop takes into account the number of residents in the area where the modern shop will be established. Through Regional Regulation Number 23 of 2010 concerning Management of Modern Markets in the City of Cirebon, the Government seeks to implement policies on two aspects, namely the economic growth aspect and the competitive aspect of a healthy business climate by protecting the existence of traditional

markets and Small and Medium Enterprises (SMEs). The first aspect is the existence of markets. Modern technology provides benefits for economic growth and Regional Original Income (PAD), but on the other hand it also provides other impacts such as business competition between modern markets and traditional markets which need to be balanced. Both aspects of business competition, the existence of modern markets need to be structured as a form of implementing the mandate of the Regional Regulation. Number 23 of 2010.

The development of modern markets spread across the Cirebon City area and in order to protect SME (Small and Medium Enterprises) traders in increasingly competitive business competition, the Cirebon City government has made efforts to control the practice of establishing modern markets by implementing a Licensing Moratorium on new modern shops whose permits have been submitted in Cirebon City Regional Government (Djuwita, 2016). Of course, this policy is a solution policy for the development of the modern market and in order to maintain business competition between the modern market and SMEs (Small and Medium Enterprises) well maintained. modern shop practices spread across the city of Cirebon.

Cirebon Mayor Regulation Number 40 of 2016 which regulates restrictions on space utilization licensing services for traditional markets, shopping centers and modern shops, is the legal basis used by the Cirebon City Regional Government in formulating policies related to regional regulation. This regulation aims to regulate land use in a more targeted manner, as well as to regulate the growth and development of traditional markets, shopping centers and modern shops in the area. In implementing restrictions or moratoriums on the existence of new modern markets with the aim of being a form of control effort over the existence of modern markets which are already quite numerous.

The existence of modern markets or modern shops such as minimarkets benefits several people, especially consumers. This is due to the modern market which can offer a comfortable shopping experience, a wide selection of commodities, competitive prices, and attractive promotions that are affordable for the lower middle class. Traditional traders must change and look for new ways to maintain their competitiveness in facing modern shopping trends, even though the presence of minimarkets can bring benefits to consumers. With competition in the modern market which offers various conveniences and advantages, traditional traders have the potential to threaten their existence and survival in traditional markets.

The development of modern markets or modern shops in various regions is actually a result of the business dynamics brought by foreign capitalist investment in Indonesia, especially in rural areas. However, this development can endanger the micro economy, especially for small traders in traditional markets, if not regulated properly. Contemporary market growth, driven by increasingly open competition, can help create healthy competition, but it can also bring the potential for unhealthy competition for the greatest profits.

In some places, there is an imbalance between modern markets and traditional markets; some traditional markets are surrounded by more than three modern markets. This shows that the government does not take into account the impact of modern market growth. This imbalance can lead to conflict between business actors, and small businesses in traditional markets may be more vulnerable to competition. Traditional and modern markets have different infrastructure and facilities, which causes an imbalance in consumer attraction; Modern markets offer more facilities and comfort than traditional markets.

It is important to have proper laws and policies, such as Antitrust laws, because modern market developments have the potential to be profitable. This law was created to prevent monopoly and unfair business competition, create an efficient business environment, and improve the welfare of society as a whole.

In the context of efforts to control the practices of modern markets/shops, of course there are several obstacles encountered by the Cirebon City Government, of course these obstacles

are obstacles that occur in the process of controlling modern shops/markets, among other obstacles in the process of controlling the existence of existing modern shops/markets. In Cirebon City, it is difficult for the Regional Government to exercise control over modern markets/shops in Cirebon City. This control means that for unlicensed modern shops it is difficult to monitor them because up to now the licensing process has always been through permits which are then recorded, and there are no regulations in the Regulations. Region Number 23 of 2010 regarding zoning regulations for modern markets, so that in practice it is difficult to apply zoning to the existence of modern markets in Cirebon City.

In this way, the government can play a controlling role in modern markets/shops so that they are more orderly so that the implementation of control in modern markets can be organized and managed well, besides that, the government is also obliged to maintain business competition between modern markets and traditional markets. Apart from that, there needs to be a revision of the mayor's regulations which aim to provide legal certainty in the context of efforts to control the existence of modern markets in Cirebon City. Efforts made by the Cirebon City Government in the context of efforts to organize and control modern markets need to be supported by all levels as aimed at provide certainty and protection in the context of business competition to create a healthy investment climate.

The realization of a healthy business climate needs to be supported by policies that support the values of justice and the value of certainty. Through the policies implemented by the Cirebon City Government, it is hoped that it can provide economic growth for the region and besides that it is able to provide balanced business competition between modern markets and traditional markets. , the existence of a modern market is able to provide good benefits from all aspects followed by the compliance of the parties involved in the process of structuring the modern market in Cirebon City.

CONCLUSION

The implementation of Cirebon City Regional Government policy in structuring and controlling modern shops in Cirebon City is not yet in accordance with Mayor Regulation (PERWALI) Number 23 of 2010 in order to maintain a climate of business competition between traditional markets and modern markets as well as protecting SMEs (Small and Medium Enterprises) by implementing a licensing moratorium for applications for permits for new modern shops, besides that there are still many unlicensed modern shops in Cirebon City. This is due to the compliance of entrepreneurs to carry out administrative arrangements in accordance with the provisions of applicable regulations.

The obstacles faced by the Cirebon City Regional Government include controlling modern shops, namely the difficulty of supervising and controlling unlicensed modern shops/markets. So the Regional Government must monitor the existence of unlicensed modern markets so that ongoing monitoring and supervision can be carried out in order to supports the policy of controlling modern markets in the city of Cirebon.

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