

The Business Competition Between Traders in Modern Market and Traditional Markets in Jambi City (An Economic and Juridical Analysis)

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Abstract

At present there are many modern markets establishing in Jambi City. The existence of modern markets on the one hand is able to improve the community's economy and regional income, on the other hand it has an impact on traditional traders, especially clothing traders. The aim of this research is to analyze juridically the impact and strategies of clothing traders in traditional markets in facing competition with modern markets in Jambi City. The research method used is juridical-empirical research, namely examining social phenomena that occur in society in relation to applicable legal regulations, and analyzed using a socio-legal approach. The results of the research show that economically the establishment of modern markets has had a negative impact on traditional traders in the form of decreased sales turnover, lack of buyers, permanent closure of stalls and layoffs of employees in Jambi City, Juridically, the existence of modern markets does not pay attention to the provisions of applicable laws and regulations such as distance provisions, not being able to detrimental to traditional markets and the need to establish partnership programs with MSMEs and so on.

Key words: *competition, traditional, modern, economic, juridical*

Introduction

Unfair business competition is competition between business actors in production and/or marketing activities that is carried out dishonestly or against the law, while the purpose of establishing Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition is to safeguard the public interest and increasing economic efficiency to improve welfare, creating a conducive business atmosphere, preventing monopolistic practices and unfair business competition. From the above provisions emerge signs that must be obeyed by business actors in facing competition, namely business competition must be carried out with honesty, business competition must not be against the law, business competition must be carried out and maintain conduciveness between business actors, business competition is carried out in a fair manner and it all comes down to to improve welfare.

Historically, traditional markets have existed since ancient times, namely the era of the Kutai Kartanegara Kingdom in the 5th century AD, which began by using a system of bartering (Exchange) for goods needed in daily life with sailors who came from Tingkok. Traders spread their merchandise on mats to show them to Chinese sailors, and that's where transactions of exchanging goods for goods

took place. At that time the market was not merely a meeting place for sellers and buyers, but as a meeting place for society and the nobility, in fact the market was often used as part of a political strategy to exchange important information available at that time.¹

The existence of traditional markets has the potential to advance and increase the economic growth of society, especially small traders. However, the existence of modern markets is a threat to traditional markets because modern markets are better, such as providing facilities that guarantee shopping centers and modern shops that are clean, healthy (hygienic), safe, orderly and comfortable public spaces. Another advantage is the fixed price and good service. The services provided by modern markets are not only clothing but also basic materials and other household needs, making it easier for people to shop in one place.

The development of the times is increasing both in the economic sector and in the technology sector, the economic growth and technology sector has a big influence on the community's business sector in business competition.² where business actors always strive to maintain the position of a service sector that can be trusted by the public. Therefore, it is necessary to regulate trading business strategies in traditional markets in facing open competition with the modern markets that exist today.

As it is known, traditional markets are markets built and managed by Regional Governments, Private Companies, State-Owned Enterprises and Regional-Owned Enterprises including collaboration with the private sector with business premises in the form of shops, kiosks, stalls and tents owned or managed by small traders, Medium, community self-help or cooperatives with small scale businesses, small capital and with a process of buying and selling merchandise by bargaining. Meanwhile, a modern market is a market that is built and managed by the Private Government, or a Cooperative in the form of a Shopping Center, such as a Mall, Plaza and Shopping Center and the like where the management is carried out in a modern way and prioritizes convenience shopping services with management in one hand, with relatively stronger capital, and comes with a definite price tag.

¹ Ida Bagus Brata. "Pasar Tradisional Di Tengah Arus Budaya Global", FKIP Universitas Mahasaraswati Denpasar, 2018.

² Emy Setyawati dan Andhatu Achsa. 2021. "Strategi Peningkatan Omset Penjualan Pedagang Pakaian Melalui Marketing Mix Studi Pada Pasar Muntilan Kabupaten Magelang", *Jurnal Ilmiah Ekonomi dan Bisnis*. Volume 14 Nomor 1. 2021.

Traditional markets and modern markets have their respective advantages, especially in marketing goods to be bought and sold. Other things can be seen from infrastructure problems ranging from building conditions, cleanliness, poorly maintained rubbish dumps, parking lots, low awareness of paying fees and poor air circulation. The existence of modern markets and online shops that are currently developing is certainly competition for traditional traders because the existence of traditional markets is fading and has an impact on decreasing income turnover,³ It makes many stalls went out of business. However, this is not a barrier for those who are able to maintain a clothing business in this technological era.

In this growing year of course the population is also increasing, taken from Jambi population statistics data from 2018 to 2020, the population of Jambi province reached 3,677,894 people and the population of Jambi city in 2022 reached 612,162 people. With a large enough population, this has become a potential market share for developing business, including the business of selling clothes as one of the basic needs for humans. There are so many clothing traders both in traditional markets and in modern markets that serve and offer various kinds of clothing such as clothing of muslim, children, teenagers, including sports clothing.

Currently, the number of modern clothing merchant markets in Jambi City is recorded at 7 (seven), namely Jamtos, JPM Trona, WTC, Ramayana, Lippo, Matahari and Transmart. Meanwhile, the number of traditional markets for clothing traders in Jambi City is the Rawasari Large Market, Talang Banjar Market, Mayang Market and clothing traders spread across various arterial roads and neighborhood roads in several areas in Jambi City. The results of observations in the field show that the average number of visitors to traditional clothing merchant markets is lower compared to modern markets. So, for the sake of a business to continue, competition in this business forces business actors to have creative and innovative abilities so as to create unique marketing strategies that are much in demand by the public. The presence of modern markets that sell clothes has a direct impact on the existence of traditional markets. From the results of researchers' observations of traditional markets, it was found that many stalls in traditional markets selling clothes were devoid of visitors, and some stalls were even permanently closed. However, there are still many clothing traders in

³ Ibid.

traditional markets who are able to survive and are busy with visitors. This cannot be separated from the strategies used by clothing traders to be able to compete with traders in the modern market.

In the Presidential Regulation of the Republic of Indonesia Number 112 of 2007 concerning the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Shops in Article 2 it is stipulated that the location of the establishment of a traditional market must refer to the Regency/City Regional Spatial Plan, and the Regency/City Detailed Spatial Plan, including the zoning room. The establishment of a modern market must comply with the provisions, namely taking into account the socio-economic conditions of the community and the existence of traditional markets, shopping centers, and modern shops as well as small businesses, including cooperatives in the area concerned. Provide a parking area of at least the required parking area of 1 (one) four-wheeled vehicle for every 100 m² (one hundred square meters) of floor area for traditional market sellers, provide facilities that ensure traditional markets are clean, healthy (hygienic), safe, orderly and comfortable public space. The provision of parking areas can be carried out based on cooperation between traditional market managers and other parties. Meanwhile, the arrangement of shopping centers in modern markets is regulated in Article 3 that the location of the establishment of shopping centers and modern shops refers to the district/city spatial planning plan, and the detailed district/city spatial planning plan, including zoning regulations. The limits for the sales floor area of modern stores are Minimarkets of less than 400 m² (four hundred meters per square), Supermarkets 400 m² (four hundred meters per square) with 5,000 m² (five thousand meters per square), Hypermarts above 5,000 m² (five thousand meters per in terms of area), Department Stores above 400 m² (four hundred meters per square), Wholesalers above 5,000 m² (five thousand meters per square). The sales system and types of merchandise in modern stores, namely Minimarkets, Supermarkets and Hypermarts, retail consumer goods, especially food products and other household products. Department Stores sell retail consumer goods, mainly clothing and equipment products, arranged based on the gender and/or age level of consumers and wholesalers sell consumer goods wholesale.

The government uses the term modern market with modern shops as outlined in the Minister of Trade Regulation No.53/MDAG/PER/12/2008 concerning The Guidelines for the Arrangement and Development of Traditional Markets,

Shopping Centers and Modern Shops, defining modern shops as shops with an independent service system, selling various types of retail goods in the form of minimarkets, supermarkets, departments, stores, hypermarkets or wholesalers in the form of wholesale. According to Jambi City Regional Regulation Number 15 of 2015 concerning The Guidelines for the Arrangement and Development of People's Markets, Shopping Centers and Supermarkets. Modern markets are markets built and managed by the government, private sector or cooperatives in the form of shopping centers such as malls, plazas and shopping centers and the like where the management is carried out in a modern way and prioritizes convenience shopping services with management in one hand, relatively stronger capital and comes with a definite price tag.

In the Minister of Trade Regulation No. 53/MDAG/PER/12/2008 it is defined that traditional markets are markets built and managed by the government, regional government, private sector, state-owned enterprises and regional-owned enterprises including collaboration with the private sector with business premises in the form of kiosks, booths and tents owned/managed by small, medium, independent traders, communities or cooperatives with small scale businesses, small capital, and with the process of buying and selling goods using bargaining. On the one hand, an open market is an opportunity because national boundaries are removed, on the other hand, an open market is a threat due to the increase in competitors from other countries entering the same market.⁴ A perfect competition market is an industry where there are many sellers and buyers and each seller and buyer cannot influence the conditions in the market.⁵

Common problems that are usually faced by traditional markets are the large number of traders who cannot be accommodated, traditional markets have a dirty impression, ready-to-eat food merchandise has the impression of being less than hygienic, modern markets which are growing and developing are serious competitors to traditional markets, low awareness of traders to develop their business and occupies a predetermined basic place. There is still low awareness of traders to pay fees. There are still markets whose activities are only on market days. Apart from that, according to Yanti Purwanti, traditional market conditions include; the infrastructure problem that becomes a serious one in the traditional

⁴ Tamamuddin, Mengantisipasi Pasar Terbuka Dengan Menciptakan Keunggulan Bersaing Melalui Pendekatan Strategi Pemasaran (Pendekatan Marketing Mix dalam Perspektif Islam), *Jurnal Hukum Islam*, 10 (2) 2012, 261-276.

⁵ Ni'matul Fitia Mukarramah, Pasar Persaingan Sempurna dan Pasar Persaingan Tidak Sempurna Dalam Perspektif Islam, *Profit: Jurnal Kajian Ekonomi dan Perbankan*, 4 (2), 2020, 1-16.

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 poor air circulation, etc.⁶ The respective advantages of modern markets and traditional markets are that the market segmentations are different from each other. In traditional markets there is still a process of haggling over prices which may involve a personal and emotional approach between the seller and the buyer. Meanwhile, in the modern market, prices are definitely marked with a price tag. Marketing strategy is a set of goals and objectives, policies and rules that guide a company's marketing efforts from time to time, at all levels and references and allocations, especially the company's response to the ever-changing environment and competitive conditions.⁷ Marketing strategy is a plan or tactic for a company to introduce its products as widely as possible in order to achieve customer and sales targets.

Several previous studies concerning the strategies of traditional market traders and modern markets include research conducted by Yenika Sri Rahayu and Bahtiar Fitanto focusing on the strategies of traditional market traders in facing competition with Modern Retail and Consumer Preferences at the Legi Market in Blitar City,⁸ Meanwhile, this research focuses on examining the impact and strategies of clothing traders in traditional markets in Jambi City. Research conducted by Husni Diana Sari related to the strategies of traditional market traders,⁹ In research conducted by A.A.G Agung Artha Kusuma, Ni Nyoman Ayu Diantini and I Gst Bagus Honor Satrya focused on researching the competitive potential of traditional markets against modern markets in Denpasar City and Badung Regency.¹⁰

Research methods

⁶ Yanti Purwanti, The Revitalization of Traditional Market in The Border Area Between Indonesia-Malaysia, Proceeding of the 2nd of International Seminar on Reinforcement of IMT-GT for Strengthening of Border Region, Bangkok, April, 2017, 77

⁷ Irdha Yanti Musyawarah dan Desi Idayanti. 2022. "Analisis Strategi Pemasaran Untuk Meningkatkan Penjualan Pada Usaha Ibu Bagus Dikecamatan Mamuju", *Jurnal Ilmiah Ilmu Manajemen*. Volume 1 Nomor 1.

⁸Yenika Sri Rahayu, Bahtiar Fitanto, strategi pedagang pasar tradisional menghadapi persaingan dengan Retail Modern dan Preferensi Konsumen (Studi Kasus Pada Pasar Legi Kota Blitar), *Jurnal Ilmiah Fakultas Ekonomi dan Bisnis Universitas Brawijaya*, 2016.

⁹ Husni Diana Sari. 2021. "Strategi Pemasaran Pedagang Pasar Tradisional Di Pasar Senggol Desa Korleko", *Skripsi Studi Kasus Pasar Senggol Desa Korleko Kecamatan Labuhan Haji Lombok Timur*. Universitas Islam Negeri (UIN), Mataram.

¹⁰ A.A.A Agung Artha Kusuma, Analisa Potensi bersaing pasar tradisional terhadap pasar modern di Kota Denpasar dan Kabupaten Badung, Fakultas Ekonomi Universitas Udayana Bali.

This research uses an empirical research type, the research approach that will be used is a socio-legal approach, namely studying social phenomena that occur in society in relation to applicable legal regulations. The data sources used are primary data sources, secondary data sources and tertiary data sources. The data is then processed in several stages, namely; first, data collection, defined as the selection process, focusing on simplifying and transforming rough data that emerges from written notes in the field, second, data presentation and processing, namely describing a set of information that has been obtained, third, data analysis using relevant laws and regulations, and fourth, drawing conclusions, drawing conclusions in the form of activities to summarize the data obtained to find the meaning of the data that has been presented and conclusions are carried out inductively.

Results and Discussion

A. The Economic Analysis of Business Competition Between Traditional Markets and Modern Markets in Jambi City

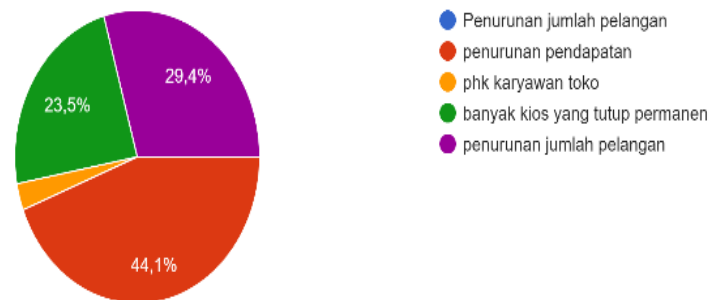
The research was carried out by giving a questionnaire or list of questions that were prepared systematically to 35 traders who were in traditional markets at random. The sample population targeted was mostly traders who were affected by the establishment of many malls or modern markets in Jambi City, as it is known that the first modern shopping area built in Jambi City was the WTC Mall which was built in 2007. Before the establishment of the mall in Jambi City, clothing traders located in the Pasar Besar area of Jambi City were favorites of the Jambi people who occupied various stalls in the form of shop houses and small stalls located in the market area which was better known as Pasar Los or Pasar Senggol. As you can see, the current situation is very different from a few years before the proliferation of modern markets (malls) in Jambi City, the view now is that many of the stalls are closed and empty of buyers.

The traders were given several questions (questionnaires) by the team in writing by providing several answer choices that had been provided, making it easier for the sample to provide answers and making it easier for the research team to summarize and process the data that had been obtained in the field so that its accuracy can be guaranteed. In presenting the results of this research, we are guided by the questions that have been asked which can be seen in the diagram below. This protection depends on the question of whether the rise of

business actors in the modern market has caused many negative impacts on business actors in the modern market. towards the perpetrator¹¹ The impacts experienced by traders in traditional markets due to the establishment of modern markets in Jambi City, the respondents gave the following answers.

Apasaja dampak yang dialami oleh pedagang pakaian dipasar tradisional semenjak berdirinya mall di kota jambi?

34 jawaban



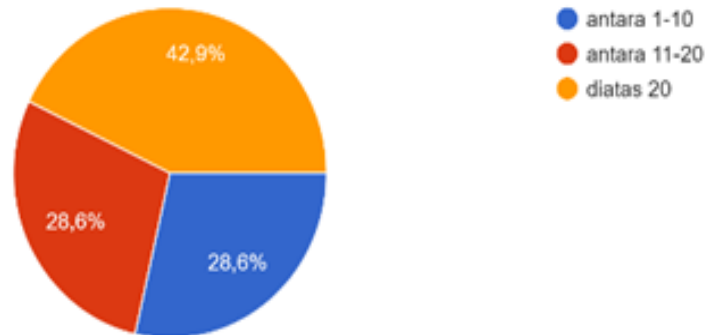
Regarding the impact that occurred as a result of the establishment of the modern market in Jambi City, 44.1% was a decrease in the level of income obtained by traders, 29.4% of the impact was a decrease in the number of customers, 23.5% many kiosks were permanently closed and the remaining 3% terminated employment relations (PHK) of employees. Basically, the impacts that occur are interrelated impacts and are the result of previous impacts, where clothing entrepreneurs carry out layoffs due to shop income decreasing drastically so they are unable to pay the salaries of their employees, shop income has decreased drastically due to the lack of buyers and customers who are moving to the modern market.

The average number of clothing buyers before and after the establishment of the modern market in Jambi City, respondents gave the following answers:

¹¹ Aisyah Dinda Karina, Praktik Monopoli Dan Persaingan Usaha Tidak Sehat Terhadap Pelaku Usaha Di Pasar Tradisional, Jurnal Ilmiah Dunia Hukum, Volume 3 Nomor 2, APRIL 2019, 66. <http://dx.doi.org/10.56444/jidh.v3i2.1360>

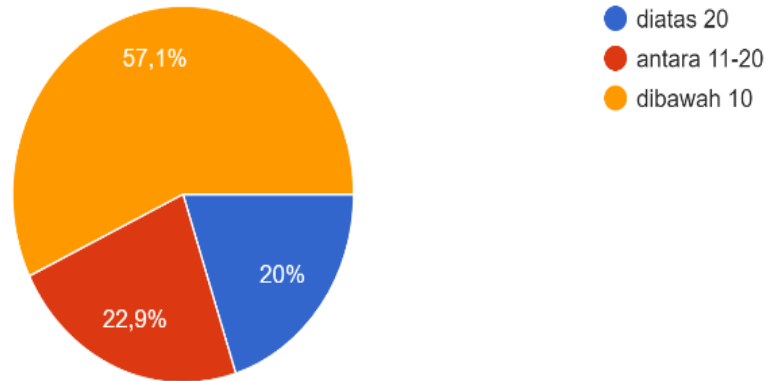
Berapa rata-rata jumlah pembeli sebelum berdirinya mall di Kota Jambi?

35 jawaban



Berapa rata-rata jumlah pembeli setelah berdirinya mall di Kota Jambi?

35 jawaban



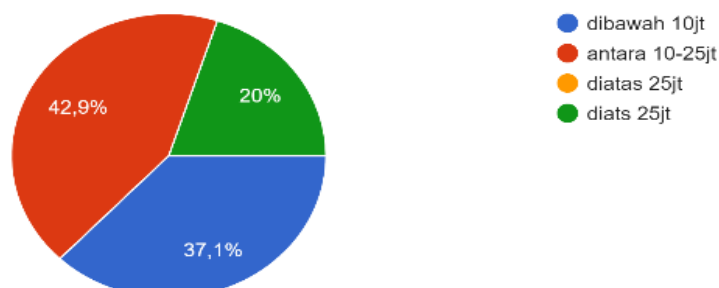
Based on the data above, it can be seen that the average number of buyers shopping for clothes before the establishment of modern markets (malls) was above 20 people/day was 42.9%, between 11 to 20 buyers was 28.6% and 1 to 10 buyers was 28.6 %. The average clothing buyers in traditional markets after the establishment of modern markets was 57.1% under 10 buyers per day, 22.9% were 11 to 20 buyers per day and 20% were above 20 buyers per day.

If we compare these two situations, it can be seen that there is a very contradictory situation where before the modern market was established, the majority of traders were able to sell clothes to more than 20 buyers per day or 42.9%, while the majority of traders are only able to sell clothes to a maximum of 10 buyers per day amounting to 57.1%, the figure even reached above 50%, this shows that the impact is very large in influencing the number of buyers in traditional markets.

A comparison of average monthly income before and after the establishment of the modern market in Jambi City can be seen in the table data below;

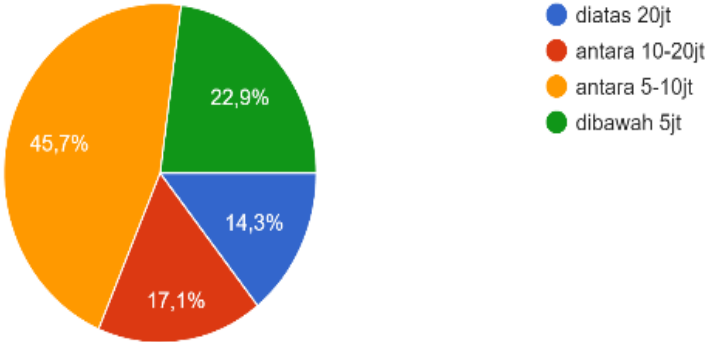
Sebelum beridirnya mall di Kota Jambi berapa rata-rata pendapatan bersih perbulan?

35 jawaban



Setelah berdirinya mall di Kota Jambi berapa rata-rata pendapatan bersih perbulan?

35 jawaban



Regarding the amount of monthly net income earned by clothing traders in traditional markets before the establishment of the modern market, the respondents provided the following data; income below 10 million per month is 37.1%, income between 10 million to 25 million per month is 42.9%, income above 25 million per month is 20%. Meanwhile, the monthly income achievements after the establishment of the modern market in Jambi City were: income above 20 million was 14.3%, income between 10 million to 20 million was 17.1%, income between 5 million to 10 million was 45.7% and income under 5 million was 22.9%.

If we compare the income earned by traders between before and after the establishment of the modern market, it can be seen that there has been a very significant decline, such as income between 10 to 25 million per month before the establishment of the modern market was 42.9%, whereas after the establishment of the modern market, income between 10 and 20 million only reached 17.1 %. Seeing these conditions, traders in traditional markets are forced to close their stalls permanently and try business elsewhere, either the same or a different type of business, and at least they are forced to lay off employees to reduce the costs incurred by traders. The main negative impact with the emergence of modern retail is the death of traditional markets and retail.¹²

Although most clothing traders in traditional markets have experienced a very significant negative impact due to the proliferation of modern markets in the form of malls in Jambi City, namely Lippo Plaza, Jamtos Mall, Jambi City Center, Jambi Prima Mall WTC Batanghari, Matahari Putra Prima, Transmart, Meranti Mall and Mandala Supermarkets, and currently a mall belonging to the Jambi Provincial Government is being built in the Simpang Mayang area which is considered to be one of the largest malls that will compete with existing malls.

However, there are a small number of traders in several traditional markets such as Angso Duo Market, Talang Banjar Market, Gang Siku Market, Mayang Sari Market, Malioboro Market, Mama Market and so on who are still

¹²Utami Dewi, F. Winanrni. Pengembangan Pasar Tradisional Menghadapi Gempuran Pasar Modern di Kota Yogyakarta, Proceeding Simposium Nasional ASIAN III, Universitas 17 Agustus 1945, Semarang.

able to survive and compete with these modern markets, even though the income they earn is not as before the existence of modern markets, they continued to exist and were able to gain profits during certain periods of time, namely before Eid al-Fitr and so on, this was revealed by traders, at that time the market was relatively busy because certain people preferred to shop at traditional markets because they still have a position to negotiate prices with traders, the prices are relatively cheaper than the prices of clothes in malls with almost the same quality of clothes. In the modern market, the goods sold have relatively more guaranteed quality because they go through strict screening so that goods that do not meet the classification requirements will be rejected.¹³

Through Mr. Bahrul Akbar as Head of the Trade Division of the Jambi Provincial Trade Service, who was successfully interviewed by the research team, he said that the target to be achieved by granting permission to establish a modern market in the form of a mall is to improve Jambi's economy because with the Mall, Jambi, especially Jambi City, will experience economic development. There is not much circulation of money in areas outside Jambi City because there is no modern market, so many people outside Jambi City shop at modern markets, thus creating a circulation of money which also has a positive impact on the economy.¹⁴

Asked about the possibility of unhealthy competition arising from the large number of malls standing in Jambi City, he said that it certainly creates competition if seen from the comparison of the quality of goods in modern markets compared to traditional markets because they are better and more original, Apart from that, the level of completeness of clothing provided by modern markets is more varied, the service and cleanliness is much better, this condition will be an attraction for people to shop.

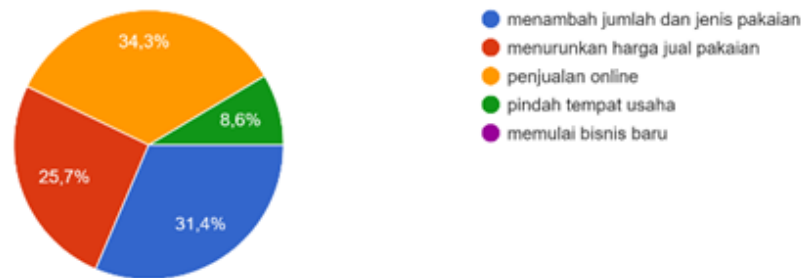
Therefore, this condition is a challenge for traders in traditional markets by implementing various strategies to continue to exist and remain in demand by the public. Regarding the strategies implemented by clothing traders, respondents gave the following responses:

¹³ H. Basuki Rachmat, Keberadaan Pasar Tradisional Bersaing Di Tengah-Tengah Pasar Modern Studi Kasus Pasar Ujungberung Kota Bandung Provinsi Jawa Barat Jurnal Otonomi Keuangan Daerah/Vol. 6/No. 1/Juni 2018, 6.

¹⁴ Bapak Bahrul Akbar, Kepala Bidang Perdagangan Dinas Perdagangan Propinsi Jambi, wawancara pada bulan Agustus 2023.

Strategi apa yang digunakan untuk meningkatkan penjualan?

35 jawaban



From the table above, data was obtained that 34.3% of traders implemented an online sales strategy, 31.4% increased the number and type of clothing, 25.7% reduced the selling price of clothing, and 8.6% moved their place of business. The majority of traders use an online sales strategy as much as 34.3%, this strategy is very appropriate because during the Covid-19 pandemic, people's shopping culture experienced a very drastic change, namely from offline to online patterns which predominantly use the advantages of information technology, the business sector is feeling the consequences of technological improvement, and many entrepreneurs are turning to digital marketing to promote their wares,¹⁵ This strategy must be supported by another strategy, namely by increasing the collection of clothing being sold, including by offering clothing prices that are cheaper than clothing prices in the modern market for the same or similar types and brands of clothing. The example problem in the modernization era is a new competitor that appears in the modern market, (minimarket/mall) and online,¹⁶ With the presence of modern markets, traditional market clothing traders are challenged to compete by changing the offline sales model to online sales. Cloth business people participated in online marketing and the advertisement in the social network was useful for their business.¹⁷ It should be noted that these strategies will be maximally successful if they are supported by good management because management will produce positive consequences, good management will have

¹⁵ Jonner Lumban Gaol and Reza Nurul Ichsan, Traditional Market Management Model Based on Digital Marketing, Quality Access to Success, 23 (199), 2022,229

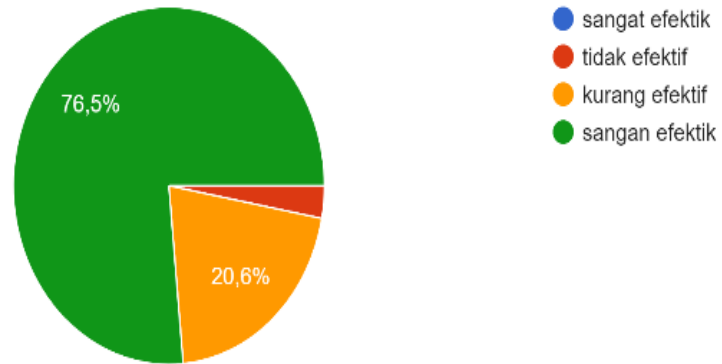
¹⁶ Siti Nur Jayanti, et.al, Variable Which Contribute to development Traditional market in the Modernization Era (Pasar Gringing Study Case), International Journal Of Research and Review, 7 (10), 2020,299.

¹⁷ Grace Mollel and Leticia Rwabishugi, Effect of online marketing on cloth business growth in Tanzania: A case study of Arusha City, Issue Business management and Economics, 9 (4), 2021, 76

a positive impact, among others, the economy of the community grows, retribution increase, multiplier grows, unemployment decreases, and welfare increases.¹⁸

Apa strategi tersebut efektif untuk mendorong hasil penjualan pakaian?

34 jawaban



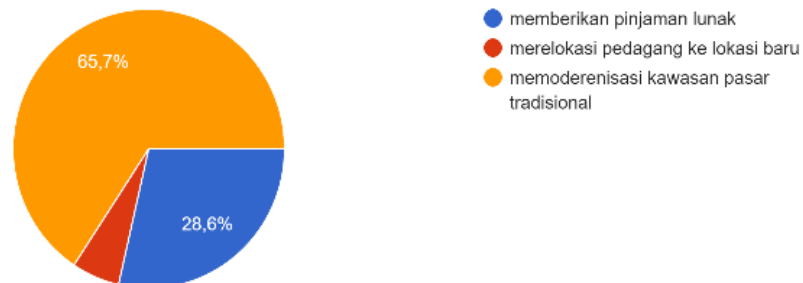
¹⁸ Iriani Sri Setyo and Sanaji, Traditional Market Management Strategyin Conditions of Modern Market Development, RJOAS 10 (94), 2019,130

Asked about whether the strategy used was effective or not, the respondents gave a response of 76.5% saying it was very effective, 20.6% said it was less effective and the remaining 2.9% said it was not effective. So, it can be concluded that the strategies developed by traders are very effective, so this strategy needs to be maintained and developed. When economic conditions have changed greatly towards a digital economy, both microeconomics and macroeconomics, almost all economies use information and communication technology or digitalization, both in product packaging and marketing.¹⁹

However, the Government, in this case the Regional Government, needs to increase its awareness of the existence of traditional market traders so that they can survive and be able to develop their businesses more advanced and be able to compete with modern market traders. What traders' hopes for the government can be seen in the chart below;

Apa saja harapan pedagang terhadap pemerintah agar pedagang tradisional mampu tetap bersaing dengan pasar modern (Mall)?

35 jawaban



In the chart above, it can be seen that 65.7% of traders' hopes for the Regional Government want the Regional Government to modernize traditional market areas, 28.6% to provide soft loans and the remaining 5.7% to relocate traders to new

¹⁹ M. Afif Hasbullah, Penegakan Hukum Persaingan Usaha Dalam Sektor Ekonomi Digital, *Jimea / Jurnal Ilmiah Mea (Manajemen, Ekonomi, Dan Akuntansi)* Vol. 4 No. 1, 2020, 585

locations. The majority of traders hope that the government will take steps to modernize traditional market areas. It cannot be denied that the current condition of traditional markets is quite worrying, including the condition of old buildings and very small kiosks. Very narrow road/alley access, chaotic spatial planning and very limited parking space result in many vehicles being parked on the shoulder of the road which actually causes the road to become narrow, hindering the speed of other vehicles, plus the costs that must be incurred by the community using the land parking, apart from paying market entry fees, drivers also have to pay a certain amount of money to the parking attendant. The efforts to modernize traditional markets are called market revitalization, there are two main government projects to revitalize traditional markets: the modernization of facilities in traditional markets and innovative management of traditional markets.²⁰ Seeing these conditions, it is considered that modernizing the traditional market area is a positive and strategic step that must be taken immediately by the government in order to form a modern, representative, environmentally friendly market which is believed to be able to attract buyers' interest in shopping at traditional markets, in this way, the economy of traders will automatically get better and trade circulation will get better too. The government, through the Provincial Trade Service, has made the arrangement of traditional markets a top priority, such as arranging sales places, parking lots and repairing damaged facilities and equipment, the government will even look for empty land that will be used as a traditional market with Jambi characteristics. Here, political will from the government is really needed to make it happen, in some places there is still questionable political will from the government to build traditional markets, the lack of political will from the local government to develop the traditional market. It appears from lack of support and concern of government in the area of physical development of traditional markets.²¹

B. Juridical Analysis of Business Competition Between Traders in Traditional Markets and Modern Markets in Jambi City

²⁰ Sunkyun Lee, A Study on Traditional Market Decline and Revitalization in Korea- Improving the Ikhsan Jungang Traditional Market, *Journal of Asian Architecture and Building Engineering*, 16 (3), 2017, 456.

²¹ Kartika Dewi Sri Susilowati, The Impac of Modern Market to Traditional Traders (A Case in Malang City-Indonesia), *International Journal of Technical Research and Application*, 2 (8), 2014, t43

Based on Article 4 of Presidential Regulation Number 112 of 2007, it is regulated that when establishing modern shopping centers and shops, it is mandatory to take into account the socio-economic conditions of the community, the existence of traditional markets, small businesses and medium businesses in the area concerned. Taking into account the distance between Hypermart and existing traditional markets, provide a parking area at least as large as the parking requirement of 1 (one) four-wheeled unit for every 60 m² (sixty meters per square). Providing facilities that guarantee modern shopping centers and shops that are clean, healthy (hygienic), safe, orderly and comfortable public spaces.

Based on Article 3 letter g of Minister of Trade Regulation Number 70/M-DAG/per/12/2013 concerning Guidelines for the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Shops, it regulates that the working hours of modern shops are synergistic and do not harm the surrounding traditional retail shop businesses, further Article 3 letter b of Minister of Trade Regulation Number 23 of 2021 concerning Guidelines for the Development, Arrangement and Development of Shopping Centers and Supermarkets also stipulates that the establishment of shopping centers must consider the distance between Shopping Centers and Supermarkets and the People's Market, Meanwhile, Article 3 letter a of Jambi City Regional Regulation Number 15 of 2015 stipulates that the aim of market planning is to regulate and organize the existence and establishment of shopping centers and supermarkets in a certain area so as not to harm or stop people's markets, micro, small, medium and existing cooperatives have historical value and can become tourism assets.

By looking at the establishment of several modern shopping centers in Jambi City, the location of the establishment is very close to the Jambi City main market which is a traditional market owned by Jambi City, this is contrary to Article 4 of Presidential Regulation Number 112 of 2007 which requires the establishment of modern markets must take into account the socio-economic conditions of the community, the existence of traditional markets, small businesses and medium businesses in the area concerned and pay attention to the distance between Hypermart and traditional markets that previously existed, as a result, many traders in traditional markets are unable to compete

with modern markets. Article 3 letter b Minister of Trade Regulation Number 23 of 2021 concerning Guidelines for the Development, Arrangement and Development of Shopping Centers and Supermarkets also stipulates that the establishment of shopping centers must consider the distance between Shopping Centers and Supermarkets and People's Markets, whereas in Article 3 letter a of the Jambi City Regional Regulations Number 15 of 2015 regulates that the existence and establishment of shopping centers and supermarkets in a certain area must not harm or stop the existing people's market, micro, small, medium and cooperative markets and have historical value and can become tourism assets. In fact, traditional markets in Jambi City find it difficult to collaborate with modern markets. Cooperation in the form of healthy partnerships in Indonesia is quite difficult to implement in Indonesia because superior companies want recognition, a good image and dominance.²² The modern market in Indonesia grows 31.4% per year, while the traditional market shrinks 8% per year. The presence of modern markets has threatened the existence of traditional markets.²³

Seeing the development and growth of modern markets which are increasingly unstoppable if allowed to continue, the existence of traditional markets will be displaced, therefore they must be controlled by legal instruments.²⁴ Based on the study above, it can be seen that the establishment of modern markets in Jambi City is not in line with what is regulated in several statutory regulations, so that the government has the responsibility to restore the condition of traditional market traders. Some forms of responsibility that must be carried out by the government are by revitalizing and modernizing market infrastructure, organizing traditional market management so that they are able to compete with modern markets, creating a conducive, safe and clean traditional market business climate without eliminating the traditional characteristics and uniqueness of Jambi City's people's markets as a form of maintaining the local

²² Enno Selya Agustina, Relys Sandi Ariani, Nada Hasnadewi, Analisis Upaya Penegakan Hukum Terhadap Tindakan Kemitraan Dalam Perspektif Persaingan Usaha Tidak Sehat, *Jurnal Studia Legalia : Jurnal Ilmu Hukum*, Volume 4 Nomor 1, Mei 2023,19

²³ Endi Sarwoko, Dampak Keberadaan Pasar Modern Terhadap Kinerja Pedagang Pasar Tradisional di Wilayah Kabupaten Malang, *Jurnal Ekonomi MODERNISASI* 4 (2), 2008, 98.

²⁴Ni Komang Devayanti Dewi, Perlindungan Hukum Terhadap Pasar Tradisional di Era Liberalisasi Perdagangan, *Jurnal Law Reform* 14 (1), 2018, 12

cultural wisdom of the Jambi community and legal protection for market traders. Traditional traditions need to be upheld so that the level of welfare of traders can be guaranteed properly. Bearing in mind, so far the market mechanism is an invisible hand factor which is often considered as a regulator of economic activities. However, when market mechanisms fail, the government, as the party that has a stabilizing function, should step in to help stabilize economic activities so that they can continue to run well.²⁵

As a result of limited access, the function, role, and position of people's markets are very limited compared to modern markets. The concentration of economic activities widens the gap between traditional markets and modern markets, giving rise to unhealthy competition.²⁶ In facing this conditions, the Business Competition Supervisory Commission (Indonesian abbreviation is KPPU) should be able to exercise its authority because the formation of the KPPU is in principle to monitor and enforce Law Number 5 of 1999, as is the case with supervisory commissions in other countries. KPPU has very broad authority including authority in the judicial, executive and legislative fields²⁷

Conclusion

1. Economically, the establishment of a modern market (mall) in Jambi City has had an impact on traders in traditional markets, namely a decrease in sales turnover, a lack of buyers, permanent closure of kiosks and layoffs of clothing shop employees. The strategy implemented by clothing traders in traditional markets in facing competition with modern markets (malls) is selling using an online system, increasing the number and type of goods and reducing selling prices.

²⁵ Marchahsufi Intan D, Nadya Ayu Ramadhani, Penerapan zonasi pasar tradisional dan modern di kota Malang, *Jurnal Kinerja*, 17 (2), 2020, 232.

²⁶ Agus Triono, Hs. Tisnanta, Pasar Rakyat Vs. Pasar Modern Ketimpangan Pengaturan Produk Hukum Daerahl Pancasila : *Jurnal Keindonesiaan*, Vol. 02, No. 01, April 2022, 14.

²⁷ Adis Nur Hayati Analisis tantangan Dan Penegakan Hukum Persaingan Usaha Pada Sektor E-Commerce Di Indonesia (Analysis Of Challenges And Law Enforcement Of Business Competition In The Ecommerce Sector in Indonesia), *Jurnal Penelitian Hukum De Jure*, Volume 21 Nomor 1, 2021 119. [Http://Dx.Doi.Org/10.30641/Dejure.2021.V21.109-122](http://Dx.Doi.Org/10.30641/Dejure.2021.V21.109-122)

2. Juridically, the establishment of a modern market in Jambi City is not in line with the mandate of Law Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition, and is not in line with the Presidential Regulation of the Republic of Indonesia Number 112 of 2007 concerning the Arrangement and Development of Traditional Markets, Central Modern Shopping and Shops, are not in line with Minister of Trade Regulation Number 23 of 2021 concerning Guidelines for the Development, Arrangement and Development of Shopping Centers and Supermarkets, and are not in line with Jambi City Regional Regulation Number 15 of 2015 concerning Guidelines for the Arrangement and Development of People's Markets, Shopping Centers and Shops Supermarket.

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