

# **POLICY ANALYSIS AND STRATEGY FOR TRADITIONAL MARKET DEVELOPMENT IN CIMAHY CITY**

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## **ABSTRACT**

The autonomy policy has directed the development policy of Cimahi City to improve the standard of living of the community with the potential of the trade and service sector. The policy made by the Government to increase the contribution of the trade sector is to increase traditional market activities. A special program for the development of traditional markets, namely the revitalization of the traditional markets of Pasar Atas Baru, Pasar Cimindi, Pasar Melong and Pasar Citeureup, but the program only caused controversy with traders who were deemed unsuitable for the needs of the place of sale.

This study uses three analyzes. Stakeholder analysis was conducted to determine the level of involvement, interest, and influence of all stakeholders involved in traditional market development policies. Descriptive analysis is used to determine the cause of the ineffectiveness of the policy, whether the preparation process is not right or the implementation is not going well. PHA analysis is used to formulate a strategy for developing traditional market rights in Cimahi City so that it can be input for the Regional Government.

Keywords: Market, Development, Strategy, Policy Analysis

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## **1. INTRODUCTION**

One of the economic developments in Indonesia can be marked by the rampant development of trading centers. The physical form of a trading center can be divided into two, namely traditional markets and modern supermarkets. The striking difference between traditional markets and modern markets is the infrastructure. at the service level. The limitations of existing infrastructure in traditional markets also have an impact on the level of consumer satisfaction being low. Consumers will certainly choose other alternatives that are more satisfying in shopping convenience such as modern markets. The rapid growth of the modern market has made large and medium-sized cities in Indonesia shine even more. However, the unequal competition and the successful expansion of modern markets in various places does not rule out the possibility that the number of traditional markets that have gone out of business will continue to increase. The existence of traditional markets is threatened because of the proliferation of supermarkets with a franchise system that is able to penetrate consumers in remote villages.

Statistical data published by the Association of Indonesian Market Traders (APPSI) revealed complaints from traders that, throughout 2005, the sales turnover of traditional market traders decreased by 30% to 40% due to the overexpansion of modern market development, especially hyper markets, mini markets such as Indomart and Alramart. Many traditional market stalls have had to close, because it is difficult to compete with modern markets. Data from the Association of Indonesian Market Traders (APPSI), confirms that in 2005, as quoted on the website of the Ministry of Cooperatives and SMEs, it was stated that around 400 shops in traditional markets closed their business every year. (Indrakh, 2007:3). According to research by AC Nielsen in 2006 showed that the modern market share increased by 11.8% over the last five years. If the market share of the modern market in 2001 was 24.8%, the market share would be 32.4% in 2005. This means that in the period 2001/2006, 11.8% of Indonesian retail consumers have left traditional markets and switched to modern markets. Napitupulu (in Pilyang, 2010:20) The development of regional autonomy has brought a number of implications for changes in the functions of local government in various policies, both in institutions, utilization and extraction of

natural resources, human resources and sources of economic activity in various fields. Regional governments must be able to explore all the potential that exists in financial management through increasing Regional Original Income (PAD) and other financial sources to support the implementation of development so that the regions are expected to develop independently.

The policy carried out by the Cimahi City Regional Government (Pemda) to increase the contribution of the trade and service sector is through increasing and improving economic facilities and infrastructure in Cimahi City. One of the strategies implemented by the Cimahi City Regional Government is to increase the activities of traditional markets as the basis of people's economic power. The development of traditional markets is directed at providing land, developing and utilizing traditional markets in each sub-district as an economic center. The local government of Cimahi City has implemented a special program for the development of traditional markets, namely the development of markets in each sub-district. The implementation of the program is made so that regional trade activities in the City are not only concentrated in the city center but also in suburban areas that have a high level of accessibility, and the development of local trade activities in each sub-district will help achieve equitable distribution of economic activities throughout the sub-district.

In fact, the implementation of the program set by the Cimahi City Government does not run optimally. One of the failures of the program was the protest of traders from the traditional Pasar Atas Baru market which did not match the needs of traders to sell, because the place or kiosk used was considered smaller than before, so it felt cramped, which was originally the smallest size of 3x3 to 2.5x2 square meters. . This is also not in accordance with the previous socialization which was promised at least 3x3 square. In addition, there are illegal levies from unscrupulous market officers. Therefore, it is necessary to evaluate the plan and implementation of the Cimahi City Government's policy to find out the cause of the failure of the policy. Based on the facts described above, it is necessary to know are how the interests and influences of the stakeholders are involved in the traditional market development policy in Cimahi City, what the causes of the failure of the traditional market development policy in Cimahi City, if this caused by the inappropriate process of preparing traditional market development programs, Or the implementation is not going well., and the appropriate traditional market development plans and strategies for Cimahi City.

## **2. LITERATURE REVIEW**

The research method used in this research is descriptive qualitative method. The types of data collected in this study are primary data and secondary data. Primary data were obtained from direct interviews with policy makers from Government Agencies, Community Leaders, Private Sector and traders. Primary data includes are traditional market development policy planning process, program implementation, and traditional market development strategy. Secondary data obtained from literature study and supporting data relevant to the research. Secondary data were obtained from the Department of Trade, Industry, Cooperatives and SMEs, Bappeda, Dispenda, Department of City Planning and Parks (DTKP), Department of Environment and Hygiene (DLHK), Central Statistics Agency (BPS), Technical Implementation Unit of the Traditional Market Service (UPTD) . Supporting data is obtained from related research reports, journals, internet and other sources. Data collected:

- a. The level of interest and influence of stakeholders on the success of the program.
- b. Strategic plans, regional mid-term development plans, regional spatial plans, and so on.
- c. Public perception of traditional market development consists of objectives, aspects, criteria and alternative policy strategies

## **3. RESULT AND ANALYSIS**

### **3.1. Traditional Market Revitalization**

To support equitable economic growth, the Cimahi City Government has decided to revitalize traditional markets in several sub-districts. The policy aims to increase the economic growth of the community. The expected result of these activities is the availability of economic facilities as a place to move and grow the regional economy so that community economic activities can develop well and open job opportunities.

### **3.2 Other Supporting Programs**

Various other efforts that have been carried out by the government to increase the role and function of the market as a medium for ongoing trading activities at the community level include:

- a) Monitoring the traffic of goods and services, to find out the level of development of prices for the basic needs of the community as a material for calculating inflation, as well as efforts to control the stock of goods.
- b) Structuring and controlling street vendors (PKL), aims to minimize the number of street vendors who are concentrated in the city center so that they can be spread to various areas of Cimahi City.
- c) Development of information and marketing systems with the aim of creating market information, prices and product results as well as promoting products in the context of market expansion.
- d) Optimizing the use of kiosks and stalls in the form of recommendations to kiosk owners to immediately occupy their kiosks and stalls, controlling the use of kiosks and increasing the capacity of human resources for market managers through training or training.

### **3.3 Stakeholders Analysis**

The results of the stakeholder analysis conducted show that there are several stakeholders involved in the planning and implementation of traditional market development policies in Cimahi City. The classification of stakeholders is made based on their level of importance to the traditional market development policy. Primary stakeholders are those who are directly affected, either positively (beneficiaries) or negatively (negatively affected) due to the development of traditional markets, namely groups of traders, Regional Planning Board (Bappeda) Cimahi City, Department of Industry, Trade Cooperatives, market managers. Planning and implementation of traditional market development policies in Cimahi City is influenced by the level of interest and the level of influence of stakeholders.

Each stakeholder has a different level of interest and influence. The intensity of the influence and interests of stakeholders is based on the form of interaction, benefits and impacts generated on traditional market development policies as well as a strong position in every decision-making that will be made. The community as the target of the program in this case, especially traders, has the highest interest, but does not have the power to influence the policy of developing traditional markets. They have the highest interest because the traditional market is where they work so that the traditional market development policy will affect their income level. However, the level of power of traders in this policy is low so they have no influence in policy decision making. They are only involved in the planning process when the Market will be built through deliberation between a group of traders and government officials.

Traders' complaints have so far been submitted to the market manager, which will then be submitted by the market manager to the Disperindagkop.

The government market manager (UPTD) has a high interest in the traditional market development policy. This is based on the main task of the UPTD as a government market manager that is directly related to traders, namely managing the market, especially in terms of collecting data on traders and withdrawing user fees.

UPTD does not have the power to participate in making decisions in traditional market development policies because structurally and bureaucratically UPTD is under the Head of Disperindagkop, so that the power of influence of UPTD in traditional market development policies is relatively low, which is limited to the proposals listed in the UPTD accountability report. In fact, it was the UPTD who received complaints directly from the traders. Other agencies involved in this policy are Dispenda, DLHK and DTKP. These three agencies have a high level of influence but a low level of interest in policy. Low interest in these three stakeholders because these three agencies are not directly involved in traditional market development policies.

Their interest in this policy is only limited to the main tasks and functions of each agency. The Department of Environment and Hygiene has the task of maintaining the cleanliness of the Cimahi City environment, so that the problem of market waste is the responsibility of the DLHK, while the DTKP functions as a technical implementer, namely the project holder for the construction of traditional markets, so that their duties are limited to the physical development of the market according to a predetermined plan. by Bappeda.

Dispenda has low importance because it only deals with bookkeeping and reports on receipt of levies on traditional markets. These three stakeholders have a high level of influence in traditional market development policies because bureaucratically and structurally the three agencies have the same position as Bappeda and Disperindagkop.

In discussing the policy plan, they can provide considerations according to the function of each agency that can influence the results of policy planning. The private sector as market managers has low interest and influence because their interests are only limited to the markets they manage, so they are not involved in the traditional market development policy process.

The action that needs to be taken for stakeholders who have high influence and interest is the involvement of stakeholders in every decision making in traditional market development policies. Actions for stakeholders who have high interests with low influence are to be involved in the distribution of data and information regarding the potential of traditional markets and their development efforts. Stakeholders who have low interest with high influence can be involved to give consideration in traditional market development policies. Meanwhile, for stakeholders who have low influence and interest, the actions that need to be taken are simply monitoring (monitoring) without the need to be directly involved in traditional market development policies.

Stakeholders who have high interests will also have high power in traditional market development policies. In fact, stakeholders who have high interests do not have the power to influence traditional market development policies. Traders and market managers who have a high interest in traditional market development policies do not have a high level of influence in decision making.

As a result, in planning and formulating policies, the government lacks information about the real conditions in the field because traders, UPTD and private managers are not involved. Therefore, the resulting policy eventually becomes inappropriate because it is more concerned with the interests of the government without accommodating the interests of traders and the community.

The trading community that has the highest interest should have a high level of influence in the policy of developing traditional markets. This is because the traditional market development policy is structured to accommodate the interests of traders so that with this policy traders will not feel disadvantaged. In addition, by involving traders in policy planning, support for the policy will increase in the sense that no traders will reject the policy. Thus, the probability of this policy being successfully implemented will be even greater.

The UPTD as the government market manager should also have a high level of influence in the traditional market development policy, because it is the UPTD who really deals with traders and consumers in the market so that they understand the real conditions on the ground.

The involvement of UPTD in policy formulation will be very useful in formulating the right policy according to the actual situation. The private sector as market managers should also be involved in traditional market development policies.

Although their role is limited to the markets they manage, they have the potential to influence traditional market development policies. The private sector can manage government-owned markets professionally so that traditional markets can develop independently and not depend on government budgets. The involvement of the trading community in this traditional market development policy is the involvement of the market trader community through the trade association to become government partners in managing the market, so that by involving traders in managing the market they will also participate in maintaining the cleanliness and comfort of the market so that it is cleaner and neater.

In addition, the involvement of traders will be more attractive to consumers because it is traders who understand the real conditions of their consumers. Before the government implements a traditional market development policy, a comprehensive feasibility study should be carried out first to find out the real conditions in the field. Feasibility studies carried out can be in the form of discussions or deliberation with residents and traders to find out the real conditions in the field through a communication forum. This discussion was conducted to bridge the differences in interests between

the government, market managers and traders so that in the end all parties could be satisfied with the policy. The discussion is not only about policy socialization to traders, but the government must also listen to the objections from the traders and find solutions together. This feasibility study is a form of participation from community involvement in policy making. If an agreement has been reached, all parties must be willing to comply with the policy and set sanctions for those who violate the agreed policy. Traders also have the right to any information related to traditional market development policies. It is necessary to establish an agency or institution that handles complaints from traders, the community during the planning process up to the implementation of the policy. This service has an obligation to follow up on traders' complaints. Market managers (UPTD) need to be given special training to be able to manage market management more professionally.

### **3.4. Traditional Market Development Policy Analysis**

Analysis of traditional market development policies was conducted to determine the causes of policy failure in Cimahi City. The causes of policy failure in the development of traditional markets can be seen from two aspects, namely process and implementation. The process in planning traditional market development policies can influence policy implementation which in turn can affect policy outcomes.

#### **1. Process Analysis**

Process analysis is intended to determine the stages of planning for traditional market development policies and stakeholder involvement. The existence of deviations in the stages of the planning process and policy formulation can provide guidance in analyzing the causes of policy failure.

The traditional market development policy planning process carried out by the Government is analyzed according to predetermined criteria and indicators, then only then is the cause of the policy failure to be studied. If the formulation of the policy itself is not appropriate, it will have an impact on the implementation of the policy.

Stakeholder involvement, namely involving all interested stakeholders in the planning process; understanding of the functions, authorities and responsibilities of the stakeholders involved; identification of the interests of each stakeholder; and stakeholders involved understand the program well.

This criterion is the main factor that causes the policy to be less successful in achieving its objectives based on the perceptions of the informants. This can be seen from the indicators of the involvement of all parties in the policy planning process, it turns out that not all stakeholders related to traditional market development policies are involved in the decision-making process in policy planning. The planning process for this traditional market development policy should involve three main stakeholders, namely the local government represented by Bappeda and UPTD, the private sector and traders. The results of the stakeholder analysis show that traders who have high interests are not involved in the policy planning process. In this policy planning process, Bappeda has a major role. This is because Bappeda formulates the plan and determines the location of the place to be revitalized and determines the location in each sub-district where the traditional market will be built, also assesses whether the location is feasible to build.

#### **2. Analysis of Traditional Market Development Policy Planning Process.**

In the policy planning process, the highest dominance lies with Bappeda. Traders are only socialized about the market relocation plan but are not involved in the process of determining the place as a replacement market. The existence of high dominance by Bappeda resulted in the planning process based only on the views of the Government and lack of understanding of the interests of traders.

At first the merchants agreed to be moved. However, after the government finished building the Pasar Atas Baru, many traders refused to move because the relocation was not in accordance with the wishes of the traders. In addition, the determination of the place of transfer is carried out by lottery so that traders must be willing to occupy a new kiosk in the market in accordance with the lottery they have taken. Therefore the policy planning process must look at; 1) public participation, 2) accountability, 3) responsiveness, transparency, 4) sectoral ego, namely the development of traditional markets taking into

account the interests of other sectors and regions; and traditional market development policies do not cause conflicts between sectors or between regions or between communities and the government, 5) Policy socialization

### 3. Policy Implementation Analysis

Implementation of traditional market development planning effectively and efficiently, ie programs or activities have been implemented; programs or activities are implemented effectively and efficiently; the desired goal or result has been achieved; accuracy of the allocation of sources of funds; consistency of program implementation in accordance with established operational targets. Although some programs or activities in the traditional market development policy have been implemented, the results are not as expected. The traditional market development policy implemented by the government has not yet succeeded in achieving its target. Not all policy programs are implemented properly, because there is a revitalization of the market that collapsed after the construction was completed and caused casualties.

#### 3.5 Traditional Market Development Strategy

Traditional markets are the people's economic base that make a real contribution to the national economy. Traditional markets are a means for community empowerment so that the formulation of strategies and the development of traditional markets is very important.

##### a. Priority Aspects of Traditional Market Development

The traditional market development policy is formulated in order to increase economic growth in each region so that there is an even distribution of the economy throughout the Cimahi City area. This policy was formulated with the aim of increasing the growth & development of traditional markets so that the management aspect in terms of market management is important, and to accommodate the interests of all related parties, the social aspect is also important. market.

##### b. Priority Criteria for Traditional Market Development

###### 1. Economic Aspect

This shows that the most important thing in the development of traditional markets is to create jobs.

###### 2. Management Aspect

The results of the analysis show that to support the growth and development of traditional markets in Cimahi City, the arrangement and development of street vendors is the most important criterion in the management aspect.

###### 3. Social Aspect

In the development of traditional markets that can support the growth of traditional markets, namely by creating market conditions that are safe, clean and comfortable so that consumers prefer to shop at traditional markets compared to other places.

###### 4. Technical Aspect

In order for traders to want to occupy their stalls in the market, market facilities must be improved so that traders feel at home selling in the market. The physical building of the market must also be improved to make it cleaner and neater so that it can attract people to shop at the market.

## 4. CONCLUSION

Based on the description of the discussion, several conclusions can be drawn as follows:

1. There are several stakeholders involved in planning and implementing traditional market development policies in Cimahi City, namely Bapeda, Disperindagkop, community traders, UPTD, private managers, Dispenda, DLHK and DTKP, with the following conditions;
  - Stakeholders who have the highest influence and interest are Disperindagkop.
  - The trading community and UPTD have high interest but low influence.
  - Dispenda, DLHK and DTKP have low importance and high influence.
  - Private market managers have low interest and influence.
2. The results of this research activity indicate that the implementation of the traditional market development policy has not achieved success due to;

- The process of formulating and planning policies that are not appropriate, causing their implementation to be less precise as well.
  - The main criteria that cause the traditional market development policy-making process to be inaccurate, namely the involvement of stakeholders and the correct process of formulating traditional market development policies.
  - The main criterion that causes the implementation of traditional market development policies is not appropriate, namely the implementation of traditional market development planning effectively and efficiently.
3. The results of the stakeholder analysis show that not all stakeholders with an interest in traditional market development policies are involved in the process of planning and implementing policies. So that the failure in the traditional market development policy is due to the absence of all stakeholders with an interest in this policy.
  4. The strategy for developing traditional markets in Cimahi City shows that; The most important aspects in the traditional market development policy in order are economic aspects, management aspects, social aspects and technical aspects.
    - The criteria that are important in the economic aspect in sequence are creating jobs, increasing the welfare of traders and the community and increasing PAD.
    - Important criteria in the management aspect sequentially, namely structuring and fostering street vendors, improving the management of traditional market management professionally, improving services to the community and shaping traditional markets into efficient businesses.
    - Important criteria sequentially in the social aspect, namely the creation of safe, comfortable and clean market conditions for consumers, creating a competitive market so that it is more competitive and reducing potential conflicts with the community.
    - Important criteria in order in terms of technical aspects, namely the improvement of market facilities and infrastructure and a cleaner and neater physical market condition.
  5. The priority of alternative strategies in developing traditional markets in Cimahi City are empowering traders and market managers, distributing street vendors to markets that have been built, developing environmental markets, establishing partnerships with SMEs and cooperatives, providing credit assistance and establishing communication forums.

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