

Analysis of the Revitalization of Among Tani Main Market in Batu City: The Role of Informal Contracts, Social Networks, and Trust Among Traders

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ABSTRACT

This research focuses on analyzing the role of informal contracts and social capital in the revitalization process of Among Tani Main Market in Batu City. The method used is qualitative with a descriptive approach, using observation, interviews, and literature studies to collect primary and secondary data at Among Tani Main Market. The results showed that revitalization by the government succeeded in improving the performance and competitiveness of the market through infrastructure renovation, provision of parking facilities, and improved sanitation. Informal contracts between the government and traders, which are based on trust, play an important role in the revitalization process. In addition, social networks among traders also play an important role in disseminating information, providing support, and increasing income. The implications of this study indicate that revitalization of traditional markets supported by effective government strategies, strong informal contracts, and good social networks can improve traders' welfare and market attractiveness, and can be a reference for future research related to the implementation of market revitalization programs and the role of social capital in local economic development.

Keywords: *market revitalization, informal contract, social capital, social network*

1. INTRODUCTION

1.1 Background

Batu City Main Market was built in 1984. Previously the Batu City Main Market was located in the City Square, but due to a fire in 1983 the market was moved to Dewi Sartika Street, Temas and built in 1984. In 1997 there was another fire in units 1 and 2 so the market had to be renovated and was completed in 2001. In 2021, market revitalization was carried out until May 2022 when the Batu City Big Market was completed and converted into the Among Tani Main Market in Batu City. As the name implies, Among Tani Main Market is the main market that is the center for distributing goods for other markets, thus becoming a wholesale trading business. After the construction was completed in May 2023, the market was operationally opened on October 2, 2023. Traders who were previously in the relocation site at Gelora Brantas Stadium have begun to move to the new market. On December 14, 2023, Among Tani Main Market of Batu City was inaugurated by Mr. President Joko Widodo. This market will accommodate

agricultural products produced by the people of Batu City, as well as a place for local Micro, Small and Medium Enterprises (MSMEs) products.

The revitalization and development of Among Tani Main Market can be seen through the perspective of informal contract theory. Informal contracts cover all contracts that do not include formal contracts. As long as it meets the provisions of the substance of the formal contract. As long as it meets the provisions of the substance of the contract (in the Indonesian context, the requirements specified in Article 1320 of the Civil Code), there are no formal requirements (such as having to be in writing) specified by laws and regulations. In this context, the temporary relocation of traders to Gelora Brantas Stadium is also part of an informal contract between the government and traders. There may also be other informal contracts in the revitalization and construction of Among Tani Main Market. This market is not only a center for wholesale trade, but also supports local agricultural products and MSMEs, demonstrating how economic policy and informal contracts can work together to create institutions that support local economic growth and community welfare.

Social capital contracts are also relevant in the context of the revitalization of Among Tani Main Market. Social capital refers to networks, norms, and trust that facilitate coordination and cooperation for mutual benefit. In the process of revitalizing and operationalizing Among Tani Main Market, social capital plays an important role in building trust and cooperation between the government, traders, and the community. This theory emphasizes the importance of social networks among traders in creating a cooperative and productive economic environment. In the context of Among Tani Main Market, social capital among traders is seen in various forms of mutually beneficial interactions and support. Traders share information with each other, as well as the trust built among traders that makes them help each other and compete more effectively. Social and emotional support among traders also gives them the strength to persevere in the face of economic challenges and market competition.

The revitalization of traditional markets carried out at Among Tani Main Market is one of the initiatives implemented by the Batu City Government. This revitalization program aims to support local economic growth. Improving governance, improving the quality of goods, and cleanliness are the main factors considered in the revitalization program at Among Tani Main Market. Therefore, this study aims to determine the success of the government in revitalizing the market, informal contracts, and social capital in the revitalization of Among Tani Main Market.

1.2 Problem Statement

Based on the background previously described, the study aims to explore the successful revitalization of Among Tani Main Market by the government. This research whether there was an informal contract underlying revitalization process of Among Tani Main Market by the government. Additionally, the study examines the existence and role of social networks among traders in the Among Tani Main Market. The study seeks to

understand how these social networks and the trust among traders influence transactions and cooperation within the Among Tani Main Market.

1.3 Related Literature

a. Revitalization

According to KBBI VI Online, revitalization is the process, act of reviving or reinvigorating. Thus, revitalization is an effort to revive an area or part of the city that once lived and then experienced a decline. Revitalization does not only focus on improving physical beauty, but also focuses on solving the problems inherent in it. This revitalization is done to face changes in the modern area.

b. Traditional Market

According to KBBI VI Online, a market is a place where sellers and buyers directly bargain. Traditional market operates every day and is permanent. Goods traded in the market are daily necessities in retail form. These traditional markets are usually managed by the government.

c. Social Network

Social networks are patterns of social relationships that form in society between individuals or groups. The function of this social network is for the dissemination of information and knowledge, the formation of social norms and beliefs, access to resources and opportunities, as well as social support and social integration.

d. Social Capital Theory

Social capital theory by Pierre Bourdieu (1986) is the actual and potential resources derived from institutionalized and recognized networks so that membership in them mutually benefits each other. Some forms of social capital according to James Coleman are obligations and expectations, information channels, norms, and effective sanction. James Coleman emphasizes that social capital is important for achieving certain goals. James Coleman (1988) sees that individual actions within structures are facilitated by social capital. Some forms of social capital according to James Coleman are obligations and expectations, information channels, norms, and effective sanctions. James Coleman emphasizes that social capital is important in achieving certain goals.

According to Robert Putnam (1993), networks, norms, and trust is a form of social capital as a feature of social organization, which can be used to facilitate mutual benefits through coordination and cooperation. According to Nan Lin, there are four elements to social capital, namely information, influence, credibility, and identity reinforcement. Nan Lin (2001) views that certain actions can be accessed through resources embedded in social networks. According to Nan Lin, there are four elements to social capital, namely information, influence, credibility, and identity reinforcement.

Michael Woolcock distinguishes social capital into three, namely binding, bridging and connecting. According to Woolcock, a balanced combination of all three is essential. Social capital refers to relationships with those who have power.

e. Informal Contract Theory

Informal contracts refer to agreements that are not formally documented, but rather rely on social norms, trust, and personal relationships between the parties involved (Macaulay, 1963). In informal contracts, enforcement mechanisms rely more on social norms, such as reputation and social sanctions, than formal legal mechanisms.

2. METHODS

The type of research used in this study is qualitative research with a descriptive approach. Qualitative research, according to Abercrombie et al. in Moleong (2005), is characterized by a focus on understanding symptoms that cannot be measured quantitatively or are not possible to measure precisely. Meanwhile, descriptive research, as explained by Arikunto (2006), aims to collect information about the actual status of the observed symptoms, describing the state of the symptoms according to their condition when the research takes place.

The main focus of this research is: (1) analysis of informal contract theory in market revitalization efforts, including the dynamics of informal relations between the government, traders, and the community in the market revitalization process, and (2) an evaluation of the contribution of social capital in strengthening cooperation and trust among traders, as well as its impact on local economic development and community welfare.

This research is located at Among Tani Main Market in Batu City. The data sources used include primary and secondary data. Data collection methods include observation, interviews, and literature study. Research instruments included the researcher himself, the use of notes and stationery, and other interview aids. In this study, data analysis used an interactive model approach. The interactive model approach, according to Milles et al. (2014), consists of four main stages, namely data collection, data processing, data presentation, and drawing conclusions.

3. RESULT AND DISCUSSION

3.1 Identify government strategies in revitalizing Among Tani Main Market

The revitalization of the Among Tani Main Market carried out by the government is one of the important efforts to improve the performance and competitiveness of traditional markets. Some of the strategies successfully implemented by the government in revitalizing the Among Tani Main Market are the total renovation of market facilities,

including construction improvements, the provision of adequate parking areas, and the construction of better sanitation facilities. The results of interviews by several traders are that with the revitalization of this market, income has increased compared to income in the old market, especially on holidays, because many visitors come to the market. So that the revitalization efforts made by the government have shown positive results. Among Tani Main Market is now more organized, cleaner, and attracts more visitors. Traders experience an increase in income due to the increased number of customers.

3.2 Analysis of informal contracts in the revitalization of Among Tani Main Market

Informal contracts in the revitalization of Pasar Induk Among Tani play a significant role in the relationship between the government and the traders. The government promised to provide temporary trading facilities at Gelora Brantas Stadium during the revitalization process. This promise was informal and relied heavily on the traders' trust that the promised space would actually materialize. In addition, the government promised that all old traders would get new stalls in the revitalized market. While there may be some form of formal communication, many of these aspects of trust and certainty are based on informal contracts, where traders simply rely on words and promises from the government side without any binding agreements in place.

Meanwhile, there is a dynamic where traders who want to open stalls in the market, buy them secretly from existing traders. These transactions are conducted without any binding agreements and rely on trust and verbal agreements between the individuals involved. This shows how informal contracts work at the personal level, where enforcement mechanisms rely more on trust and personal relationships. In all these aspects, informal contracts demonstrate their power in regulating relationships and agreements between the parties involved, with trust, reputation, and social sanctions playing an important role in ensuring each party fulfills their part of the deal.

3.3 Analysis of social networks between traders in the context of revitalization of Among Tani Main Market

In the context of the revitalization of Among Tani Main Market, social networks among traders play a very important role in the dissemination of information and knowledge. During the revitalization process, information regarding new policies, market regulations, and trader relocation procedures are disseminated through social networks. Traders who have direct access to sources of information, such as meetings with the government or market committees, will spread the information to other traders. In Pasar Induk Among Tani, traders often engage in mutually beneficial relationships with fellow traders. These relationships can be informal business partnerships, friendships, or even family networks. Based on the results of interviews with several informants, they support the revitalization not necessarily with their friends, but they believe that their income will increase. This is because the market will be transformed into an attractive modern market, especially for visitors from outside the region.

3.4 Analysis of social networks and trust among traders on transactions and cooperation in Among Tani Main Market

In traditional markets, there are significant values that are reflected in various aspects of interaction between traders. One value that stands out is the cooperation between traders. They help each other when other traders are having difficulties, for example in arranging merchandise. This form of cooperation includes not only physical assistance, but also moral support that strengthens the solidarity of the market community. Long-standing interactions, long before the revitalization plan, have formed strong and mutually beneficial relationships among traders. For example, they help each other clean the dining tables after visitors have finished eating, so that the tables are ready to be used by the next visitor without having to wait long.

In addition, trust between traders has also been formed and has become an integral part of the dynamics of traditional markets. This trust is manifested through concrete actions, such as when a trader has to leave his stall to do other activities, the trader next to him voluntarily takes over the task. Not only does this help ensure the continuity of market operations, but it also demonstrates the strong sense of community and collective responsibility among traders. The trust and cooperation that exists in this traditional market creates a harmonious and supportive environment, which ultimately improves the well-being of the entire market community.

4. CONCLUSION

The revitalization of Among Tani Main Market by the government has successfully improved the performance and competitiveness of traditional markets through infrastructure renovation, provision of adequate parking facilities, and improved sanitation. This measure increased the attractiveness of the market, attracted more visitors, and had a positive impact on traders' income. Informal contracts between the government and traders play an important role with trust as the main foundation, although transactions without formal agreements show flexibility in maintaining togetherness and personal involvement in market operations. Social networks among traders in the revitalization of Pasar Induk Among Tani also play an important role in disseminating information and providing support.

In conclusion, traditional markets reflect strong values of cooperation and trust among traders. They help each other in various situations, both physical and moral, which strengthens the solidarity of the market community. Trust between traders also plays an important role in maintaining the continuity of market operations and creating a harmonious and supportive environment for the entire market community.

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