

## **TRADITIONAL MARKET MECHANISM ON INCREASING INCOME IN SHARIA ECONOMIC PERSPECTIVE (STUDY OF DORO MARKET, PEKALONGAN REGENCY)**

Aljanatun Vivin<sup>1)</sup>, Hendri Hermawan Adinugraha<sup>2)</sup>  
Aljanatunvivin38874gmail.com

### **Abstract**

Economics is a study of a fixed way or method for allocating natural resources and human resources, with the aim of achieving optimization and achieving the best goals. Regulations in the production and distribution of goods are entrusted to self-regulating mechanisms, including services, at a certain price based on that price will meet demand. Trade arises from the effort to find goods on the outer boundaries of the territory. If a human community never does external trade at all, then there is no need for a market to emerge. The research method used in this study is a qualitative method. The qualitative method is to find out or describe the reality of the events studied. Making it easier for the author to obtain objective data in order to know the Traditional Market Mechanisms Against Income Increase in the Sharia Economic Perspective (Case Study of Doro Market, Pekalongan Regency). Qualitative research method is a research method used to examine the condition of a natural object (as opposed to an experiment) where the researcher is the key instrument. That means that qualitative research is a plan and method that researchers will use to examine the condition of natural objects (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalizations.

**Key words:** Tradisional, Tradisional Market, Economic

### **1. Introduction**

Economics is a study of a fixed way or method for allocating natural resources and human resources, with the aim of achieving optimization and achieving the best goals. A market economy is an economic system that is controlled, regulated and directed by the market itself. Regulations in the production and distribution of goods are entrusted to self-regulating mechanisms, including services, at a certain price based on that price will meet demand. Trade arises from the effort to find goods on the outer boundaries of the territory. If a human community never does external trade at all, then there is no need for a market to emerge. The essence of Islamic Economics is a metamorphosis of values in Islam that teach about economic problems in human life As the center of economic activity, the market is a meeting between sellers and buyers who are directed by supply and demand in the process, space and time (Indrayani, 2018). In economics, the market does not have to be associated with a place called the market in the everyday sense. A market in economics is where there is a transaction between a seller and a buyer. The market in

Islam, is a market in which Islamic values are applied, such as buying and selling which is legal according to syara' Haru has the pillars and conditions that are in accordance with Islam, namely there is a contract, a person who has a contract, ma'kud alaih (goods being traded) and there is an exchange rate for substitute goods. As for the subject conditions (people who have a contract are: intelligent (baligh and mature) without coercion (equally willing) mumayyiz, while the conditions for the goods being traded must be lawful and good, useful according to syara', not conquered, and the goods are their own.

The word Islam after "economy" in the expression of Islamic economics functions as an identity that signifies the existence of Islamic principles in economics. In Arabic the term economics is called al-Iqtisad , which means simplicity, and frugality. A traditional market is a market that is built and managed by the government, private sector, cooperatives, or local non-governmental organizations with a place of business in the form of shops, kiosks, stalls and tents, or other similar names, which are owned or managed by small and medium sized traders with small and medium scale businesses. small capital, with the process of buying and selling through bargaining. The market consists of all potential customers who have certain needs or wants, and are willing and able to participate in exchanges to fulfill those needs or desires. Originally, the term market denoted a place where sellers and buyers gathered to exchange their goods, for example in the square.

The opportunity to open various types of businesses, especially small and medium enterprises for rural communities in addition to large businesses. Unemployment reduction can be achieved by improving the quality of human resources, employment opportunities in various sectors, as well as developing entrepreneurial businesses. Social welfare is a system of life and social, material and spiritual life that is filled with a sense of safety, decency and inner and outer peace that allows citizens to carry out efforts to fulfill their physical and spiritual needs, families and communities by upholding human rights and human obligations in accordance with Pancasila the creation of a business field is also available in the market. The market has become an inherent part of social life. Some people even depend on the market for their daily work. Therefore, the existence of the market is very vital for society as well as for the economy. In daily activities, the market can be interpreted as a meeting place for buyers and sellers.

However, in the economic field, the market is not defined as a place, but rather prioritizes buying and selling activities. Not only that, the market is also a supporter of increasing regional revenue budgets. So that the existence of markets in the community is very much needed, both traditional markets and modern markets. A person's standard of living and income have a reciprocal relationship. The low standard of living of a person is caused by the low level of income. The low income of a person is due to the low level of labor productivity. The low level of labor productivity is caused by high growth in labor, unemployment and low per capita investment. There are several steps that support the achievement of an increase in living standards in economic development, especially in rural communities. These steps are like improving the quality of human resources through both formal and non-formal education, such as courses and skills. Efforts to increase economic development can also be achieved by having adequate village facilities and infrastructure as well as the opportunity to open various types of businesses, especially small and medium enterprises for rural communities in addition to large businesses. Unemployment reduction can be achieved by improving the quality of human resources, employment opportunities in various sectors, as well as developing entrepreneurial businesses. In the world of trading, the key factor that is very decisive in supporting business activities is sales. This factor

has a key as well as an indicator of whether a trading business can be said to be progressing or vice versa.

## **2. Methodology of Research**

The research method used in this study is a qualitative method. The qualitative method is to find out or describe the reality of the events studied. Making it easier for the author to obtain objective data in order to know the Traditional Market Mechanisms Against Income Increase in the Sharia Economic Perspective (Case Study of Doro Market, Pekalongan Regency). Qualitative research method is a research method used to examine the condition of a natural object (as opposed to an experiment) where the researcher is the key instrument. That means that qualitative research is a plan and method that researchers will use to examine the condition of natural objects (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out by triangulation (combined), data analysis is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalizations.

## **3. Result and Discussion**

### **1) Definition of Traditional Market**

Development Organizational development is part of science. In the future, various types of organizations will only develop and progress if they are responsive to the current changes that occur. Demands for change can arise from two sources, namely from within the organization it must always be sensitive to the aspirations, desires, demands and needs of various groups known as interested parties. Development in organizational management theory is defined as organizational development which includes a series of actions by the top management of an organization, with the participation of organizational members, in order to carry out the process of change and development within the organization concerned, to the current conditions, through the process of which takes place in time, various changes can be implemented, until in the end a more satisfactory condition is achieved and is more in line with the demands of the environment. According to Beckhart, organizational development is an effort that is planned, covers the entire organization, and is managed from the top to improve the effectiveness and health of the organization through planned interventions on processes that occur within the organization by utilizing knowledge derived from behavioral science. The Training Laboratories Institute states, "By leveraging knowledge and techniques derived from the behavioral sciences, organizational development seeks to integrate individual needs for growth and development along with organizational goals and objectives in order to make organizations more effective. Blake and Mouton explain that organizational development is the achievement of the idea of company excellence to spur and perfect a healthy management system that can turn impulse into action. French stated that organizational development relates to long-term efforts to improve the organization's problem-solving ability and its ability to cope with changes in the external or internal environment, or "agents of reform" as they are sometimes called people. Margulies and Raia emphasize that organizational development is a process of self-assessment and planned change based on a value system, which includes specific strategies and technologies, aimed at increasing the effectiveness of an organization's overall system. Organizational development approach can also be considered as a plan to utilize adequate resources for organizational revitalization.

That way people expect sustainable growth and income, and the ability of the organization to maintain and increase that sustainable growth and income needs to be under its own control.

## 2) Market Definition

The market can be defined as a place where buyers meet sellers, goods or services are offered for sale, and then transfer of ownership occurs. A market is an area where goods are bought and sold with more than one seller, both called shopping centers, traditional markets, shops, malls, plazas, trade centers and other names. Traditional Market is a market that is built and managed by the Government, Regional Government, Private, State-Owned Enterprises and Regional-Owned Enterprises including cooperation with the private sector with business premises in the form of shops, kiosks, booths and tents owned/managed by small, medium, and small traders. Non-governmental organizations or cooperatives with small-scale businesses, small capital and with the process of buying and selling merchandise through bargaining. A market is a mechanism through which buyers and sellers interact to determine prices and exchange goods and services. In a general sense, the market is a place where buyers and sellers interact to determine prices and exchange goods and services.

## 3) Definition of Traditional Market

Presidential regulation of the Republic of Indonesia number 112 of 2007 defines traditional markets as markets that are built and managed by the government, local governments, the private sector, State Owned Enterprises (BUMN) and Regional Owned Enterprises (BUMD) including collaboration with the private sector with places of business in the form of shops, stall. Loss and tents owned or managed by small, medium-sized traders, non-governmental organizations or cooperatives with smallscale businesses, small capital and with the process of buying and selling merchandise through bargaining. Traditional markets are also centers of community economic activities that are so complex, and are close to the community. Traditional markets can be identified by a simple place, consisting of traders with a variety of merchandise for daily needs, determining prices by making bargaining. Traditional markets are facilities where buying and selling transactions take place, where traders directly trade various goods and services. The physical form of traditional markets usually consists of simple stalls and kiosks, relatively poorly maintained and looks shabby, mostly selling daily necessities. such as food ingredients in the form of fish, fruit, vegetables, eggs, meat, clothing, services and others.

## 4) The Role and Function of the Market

The main role of the market is to bring together supply and demand (producers and consumers) in order to establish prices and increase the use of goods. While the economic function of the market is as follows: 1) Distributing goods from producers to consumers: in the market, consumers look for the goods they need and producers provide the goods they need. 2) Solving the problem of differences in place: the market overcomes the differences in places between producers and consumers, while also bridging the differences between consumers with one another. 3) Solving the problem of time difference: agricultural products are seasonal, while demand is continuous, thus overcoming the time difference between harvest and when needed. 4) Selection and combination of goods according to the number and type: most production businesses are specialized in one kind of goods only, while consumers want a variety of goods in various quantities, sizes and qualities. In an Islamic review, the market function is as follows: 1) strengthen the understanding of mutual assistance between Islamic countries in trade and business relations. 2) Strengthening the Islamic economic system and realizing a balance in fostering the economy between Islamic countries, so that the economy of Islamic countries remains stable. 3) Providing capital and developing it both by Islamic countries and entrepreneurs from the community component,

so that entrepreneurs and businessmen participate in developing the nation's economy, in investing using the mudharabah and murabahah systems. 4) Move all economic facilities carefully and wisely, so that they can overcome various kinds of disasters that cause economic crises. 5) Restore the development of capital outside the Islamic state into Islamic sovereignty and homeland. 6) Strengthening the empowerment of Islamic banks, so that they can produce and develop Islamic banks intensively. 7) Enabling the market as a means of freedom in increasing production and developing capital in the world of trade and other businesses. 8) Directing and paying attention to market production. Because Islam forbids all forms of trade that contain usury and trade in goods that are forbidden by Islam. 9) Align debits and credits

#### **4. Conclusion**

Organizational development is part of science. In the future, various types of organizations will only develop and progress if they are responsive to the current changes that occur. The market can be defined as a place where buyers meet sellers, goods or services are offered for sale, and then transfer of ownership occurs. Traditional Market is a market that is built and managed by the Government, Regional Government, Private, State-Owned Enterprises and Regional-Owned Enterprises including cooperation with the private sector with business premises in the form of shops, kiosks, booths and tents owned/managed by small, medium, and small traders. Non-governmental organizations or cooperatives with small-scale businesses, small capital and with the process of buying and selling merchandise through bargaining, while the economic functions of the market are as follows: 1) Distributing goods from producers to consumers: in the market, consumers look for the goods they need and producers provide the goods they need. 2) Solving the problem of differences in place: the market overcomes the differences in places between producers and consumers, while also bridging the differences between consumers with one another. 3) Solving the problem of time difference: agricultural products are seasonal, while demand is continuous, thus overcoming the time difference between harvest and when needed. 4) Selection and combination of goods according to the number and type: most production businesses are specialized in one kind of goods only, while consumers want a variety of goods in various quantities, sizes and quality.

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