

THE IMPACT OF THE MODERN MARKET DEVELOPMENT TO URBAN AREAS IN INDONESIA

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ABSTRACT

Urban areas in Indonesia have tended to grow with little control or order in recent years, and this problem includes the problem of modern markets. The emergence of modern market centers in Indonesia has given a new color to commerce activities. Opinions pro and contra have appeared about the emergence of these commercial centers. There are the various interests and needs of the actors such as investors, society, and government in the emergence of malls, plazas, hypermarts, and groceries. The interests focus on the need to improve tax revenue, regional compensation, inclusion of employees, improvement of trade, and the fulfillment of people living standards. Recently, the fast-growing modern markets have caused many controversies. However, government policies and decisions still support the emergence of such modern trade centers. These modern markets compete with traditional markets. Although the traditional markets have their own market segments, modern markets should not allowed to wipe out them out. Based on these reasons, therefore, the government should make strict, fair, and neutral regional policies (regional regulation) such as zoning rule and urban planning concepts for upcoming 50 years. Moreover, the government should improve the role of organizers and urban planners as the managers, and enrich the market with pluralistic and comprehensive concepts sustainable development and social participation, something which is often neglected in urban planning.

Keyword : modern market, regulation, urban areas

MODERN MARKET PHENOMENA IN INDONESIA

A market is an important urban infrastructure and is a public place where people meet to buy and sell goods. According to a service quality, there are two kinds of markets: 'traditional markets' and 'modern markets'; whereas based on the distribution it is classified into 'retailers' and 'wholesalers'.

However, nowadays, markets are developed into traditional and modern markets. The former is built and managed by a government, private enterprises, *koperasi* (a business cooperative), or public-supporting basis which run some businesses such as stores and kiosks owned by small and medium

enterprises. The business cooperative also covers small-scale businesses and a process of sell and buy through a bargain sale.

In contrast, the latter is a market built by a government, private enterprises, or a business cooperative in the form of malls, supermarkets, department stores, and shopping centers which are modernistic managed supplied by fixed-price labeling (Source: Keputusan Menteri Perindustrian dan Perdagangan RI No. 420/MPP/Kep/10/1997)

Recently, modern markets are so rapidly developed that the traditional ones do not seem in existence. The existing traditional markets are gradually ignored by the society and are like to be drawn by the modern ones.

If we looks from the organizational side, the difference between modern markets and traditional is from the institutions that manage them. Traditional markets are managed by Dinas Pasar (Market Service) which is part of bureaucratic system. While modern markets are usually managed by professionals using business approach.

The widespread development of modern markets today has prompted urban observers to discuss it. These modern markets are the rivals of traditional markets. Although the traditional markets have their own market segments, people expect that modern markets should not eliminate traditional ones, which have existed for a long time. Many people from different backgrounds have observed these phenomena and have arrived at different opinions.

Almost, in mass media there has been no serious no discussion about the budget for maintaining traditional markets so that common people don't even think of talking about this issue. There are also no efforts to improve the image of traditional markets as places that are dirty, slum, hot, messy, insecure and uncomfortable.

Since the first emergence in Indonesia in 1998, hypermarkets seem to be uncontrollable. Carrefour is one of the examples. Only in four years, this second world largest retailer in the world was able to open 15 counters spread in Medan, Palembang, Bandung, Surabaya, and most in Jakarta. This recent year, Carrefour purchases the most part of PT Alfa Retailindo, Ltd share stock so that there is nothing can control it in gaining control of Indonesian market. Carrefour will be the first giant company that enters kampongs through its Alfamart counters in