



Analysis of Participatory-Based Tradisional Market Development Planning in Medan City “Collaborative Governance to Good Governance”

Jehan Ridho Izharsyah^(✉), Imam Aulia Pratama, and Santri Marfirah Zai

Universitas Muhammadiyah Sumatera Utara, Medan, Indonesia
jehanridho@umsu.ac.id

Abstract. Development planning is one of the concepts of developing a region. This development is certainly related to a good planning document. So the document has been compiled with integration and linkage with the desired planning priority scale. This meaning is supported by good cooperation with interest groups, especially participatory activities carried out by the Government, the private sector and the community. Likewise, planning for markets, whether modern or traditional, the provision of traditional and modern markets is also the responsibility of the private sector (private), including the provision of shop houses, buildings and electronic commerce (providers), and so on and the community as users and recipients of the impact of the arrangement. the traditional market. This research was conducted to identify the Mix Methode planning of participatory-based traditional market development (*Collaborative Governance to Good Governance*) with the Process Hierarchy Analysis (AHP) method to determine the usefulness and implementation of Traditional Markets in Medan with a participatory approach and for strategy determination by the Medan City Government using Strengths, Weaknesses, Opportunities, Threats (SWOT). The results of the AHP weighting obtained are 0.6572 or 65% that there has not been a good collaborative implementation of the arrangement of facilities and infrastructure as well as the procurement of traditional markets and the results of SWOT quadrant I (3.08). infrastructure. So, the recommendation is that strong regulations are built on traditional market planning with monitoring and evaluation, the existence of a support system carried out by the private sector by strengthening the City Materplan and Revitalization Based Tradisional and AMDAL documents as well as monitoring the use of traditional markets by the community.

Keywords: Development Planning · Traditional Markets · Collaborative

1 Introduction

Planning is the most important thing in the development of a region, especially regional development based on regional expenditure budgets. The regional planning has many studies including urban, rural and other based regional planning. In this study, the planning developed is related to regional planning for traditional markets (Asatryan et al.,

2017). Traditional Markets according to Presidential Decree No. 112 of 2007 concerning the Arrangement and Development of Traditional Markets, Shopping Centers and Modern Stores are markets that are built and managed by the Government, Regional Government, Private, BUMN and BUMD including cooperation with the private sector with places of business in the form of shops, kiosks, inns and tents owned/managed by small, medium-sized traders, non-governmental organizations or cooperatives with small-scale businesses, small capital and with the process of buying and selling merchandise through bargaining (Safaatur, 2018).

This traditional market is one of the strengths of a region because it indirectly generates Regional Original Income (PAD) and increases retribution and absorption of labor. (Dinas Perdagangan Kota Medan, 2022) On data obtained from PD Pasar Kota Medan, currently Medan City manages 54 Traditional Markets and can generate Rp. 1.4 billion rupiah. However, at this time during the pandemic, several markets in Medan City experienced a very significant decline. This happens due to limited spending activities and the space for movement that requires health protocols to be carried out. At this time the Medan City Traditional Market does not yet have good accommodations for infrastructure, environmental impacts and the resulting pollution. The market in the city of Medan has not been able to become a pioneer in driving the people's economy in the city of Medan. Therefore, the Medan city government cannot personally manage the market. There needs to be good cooperation in managing the market with several interest groups that have links therein. For example, some private parties build shops or buildings in traditional markets or have service businesses in these markets (Rosni et al., 2016).

However, the private sector or businesses that are PT and CV have not taken a persuasive approach in it. For example, Medan City Regional Regulation (Perda) Number 31 of 1993 concerning the use of road bodies and Medan Mayor Regulation Number 9 of 2009 concerning the prohibition of erecting permanent or temporary buildings on roads, drainage and river commensurate lines to trade or make shelter and also supported by Law (UU) No. 38 of 2004 concerning roads, it is stated that sidewalks are given to pedestrians. Some traditional markets still ignore this regulation, for example there are still many buildings or merchandise that are above the road or drainage, shop houses and buildings that are on a line commensurate with the road, making it difficult to move space and inadequate facilities. Therefore, some traditional markets need to be revitalized. Arianty 2013, said the revitalization is not only the responsibility of the government, but the private sector and the community also need good cooperation in managing the market. So on this occasion the researchers conducted a study in the form of a theoretical approach as well as field studies to see how good the cooperation and pattern of strengthening carried out by the Medan City Government in organizing and compiling Medan City Traditional Markets through **“Analysis of Participatory-Based Traditional Market Development Planning in Medan City, Governance Collaborative Towards Good Governance”**.

2 Literature Review

2.1 Paradigm Governance

Governance paradigm is a new paradigm adopted and is becoming popular in several countries in the world. The understanding of the paradigm is that the implementing agency is not only a government monopoly. In the 1980s this paradigm began to be designed by Western countries with the aim of minimizing the roles of the state in development and delegating it to other actors. This is due to the growing awareness that the government's ability is increasingly limited in terms of: budget, human resources, technology and management capacity to be able to solve public affairs on their own. (Hood & Lodge, 2004) The democratic era also demands that the government be more open and more inclusive in providing space for Civil Society Organizations (CSOs) and the private sector to be involved in implementing a policy). In the governance paradigm, there are three actors (Government, Civil Society and private).

2.2 Collaboration

Philosophically, collaboration is an effort made by various parties to achieve the same goal. According to Schrage in Yasintha 2020, said collaboration is an effort to unite various parties to achieve the same goal. Collaboration requires various kinds of actors - both individuals and organizations - who work hand in hand to work on tasks to achieve common goals.

Ansell C. in Yasintha, 2020, also reveals the nature of collaboration is a collaboration carried out between organizations to achieve common goals that are difficult to achieve individually. Based on this definition, we can see that, initially the organization was autonomous, then there were limitations in achieving its goals. The need to achieve these goals is the background for the organization to cooperate with other organizations or individuals. According to Cordella & Tempini 2015, there are three reasons why organizations collaborate, namely:

1. Organizations need to collaborate because they cannot complete certain tasks alone without the help of others.
2. By collaborating, the benefits to be obtained by the organization can be greater when compared to working alone.
3. By collaborating, organizations can reduce production costs so that their products can be cheap and have market competitiveness.

2.3 Collaborative Governance

Collaborative Governance emerged in the era of the governance paradigm, where at that time society was growing so that the government faced more complex problems. On the other hand, the government also has limited time to solve these problems, so it requires collaboration with external actors (Ansell & Gash, 2017).

Ansell 2007, said state that collaborative governance is a new strategy in governance that makes various policy makers gather in the same forum to create a common consensus.

Furthermore, Ansell and Gash define collaborative governance as an arrangement of governance in which one or more public institutions directly involve non-governmental actors in a formal, consensus-oriented, consultative collective policy-making process with the aim of making or implementing public policies, managing programs or public assets.

3 Methode

This research was conducted to identify the Mix Methode in Creswell 2016 at Izharsyah and Lubis 2020 planning of participatory-based traditional market development (*Collaborative Governance to Good Governance*) with the Process Hierarchy Analysis (AHP) method to determine the usefulness and implementation of Traditional Markets in Medan with a participatory approach and for strategy determination by the Medan City Government using Strengths, Weaknesses, Opportunities, Threats (SWOT).

4 Results and Discussion

Based on the results of the analysis of the internal and external environment of the 4 traditional markets that were sampled, a SWOT analysis can be obtained as following Supporting Factors:

1. Alignment with the Mayor's Vision and Mission.
2. There is a revitalization of several markets.
3. There is a Market OPD that regulates Traditional Markets.
4. Traditional markets are still the choice of the people of Medan City.
5. High Interest in Trading.
6. The existence of the role of the private sector in managing several services.
7. The Population Growth of Medan City is quite increasing.
8. The number of private investors who want to develop some traditional markets.

With the supporting factors that determine the existence of the phenomenon, the main inhibiting factors include

1. The government's commitment is still not maximized.
2. Culture and clean living behavior of the community/traders are still low.
3. The rise of modern markets that have emerged in the city of Medan.
4. Private Awareness of Environmental Impacts Still low.
5. Facilities and infrastructure that are still lacking in the market.
6. The quality and quantity of human resources and technology in managing the market is still low.
7. The amount of dues that are often quoted by individuals on behalf of the City Government.

After analyzing the strategic environment, the next step in strategy formulation is to identify strategic issues which are the heart of the strategic planning process. Strategic issues are obtained from the SWOT analysis matrix, namely by matching strengths and weaknesses (internal environment) with opportunities and threats (external environment), so as to be able to develop four types of strategies, namely S-O strategy, ST strategy, W-O strategy and W-T strategy. The following are the results of the identification of strategic issues:

I. Internal Factors

a. Strength

1. Alignment with the Mayor's VISION and Mission.
2. There is a revitalization of several markets.
3. There is a Market OPD that regulates Traditional Markets.
4. High Interest in Trading.

b. Weakness

1. The government's commitment is still not maximized.
2. Culture and clean living behavior of the community/traders are still low.
3. Facilities and infrastructure that are still lacking in the market.
4. The quality and quantity of human resources and technology in managing the market is still low.

c. Opportunity

1. There is a revitalization of several traditional markets in Medan City.
2. Traditional markets are still the choice of the people of Medan City.
3. The role of the private sector in managing several services.
4. The Population Growth of Medan City is quite increasing.
5. The number of private investors who want to develop some traditional markets.

d. Threats

1. The rise of modern markets that have emerged in Medan City.
2. Private Awareness of Environmental Impacts is still low.
3. The amount of the Contribution that is often quoted by persons acting on behalf of the City Government.
4. The minimum budget that is prioritized by the government.

Based on the internal factors above, there are several merger strategies that must be considered, including:

I. Strategy (SO)

1. Revitalization of traditional markets in order to provide comfort and convenience for traders and buyers.
2. Strengthening the Role of Market OPD so that traditional markets in Medan are more well organized.
3. The role of the private sector in developing traditional markets in Medan is in accordance with the efforts to increase investors towards the development of traditional markets

II. Strategy (WO)

1. Strengthening commitment to several markets followed by several market revitalization programs in Medan City.
2. Increasing Awareness of Traders and investors (private) in developing a go green-based market.
3. Improved facilities and infrastructure that support a comfortable buying and selling process.

III. Strategy (ST)

1. Improvement and development of traditional markets through collaboration with the private sector and the community.
2. Structuring traditional markets by strengthening security and transparency in market management.
3. Making traditional markets a priority scale for development.

IV. Strategy (WT)

1. Improving market quality by strengthening human resources in managing it.
2. Training for traders as a form of community participation.
3. Strengthening the commitment of the private sector in maintaining the market through the agreed AMDAL Document.

To Measure Assessment, Weighting and Rating of IFAS, then the calculation is obtained as follows:

1. Strength (S)

- a. Alignment with the Mayor's VISION and Mission (0,50).
- b. There is a revitalization of several markets (0,50).
- c. There is a Market OPD that regulates Traditional Markets (0,36).
- d. High Interest in Trading (0,29).

Then the total weight and strength rating on strength is (1,56).

2. **Weakness (W)**

- a. The government's commitment is still not maximal (0,56).
- b. Culture and clean living behavior of the community/traders are still low (0,48).
- c. Facilities and infrastructure that are still lacking in the market (0,39).
- d. The quality and quantity of human resources and technology in managing the market is still low (0,31).

Then the total weight and strength rating on Weakness is (1,74). The total number of Strengths and Weaknesses is (3,39). To Measure Assessment, Weighting and Rating of EFAS, then the calculation is obtained as follows:

1. **Opportunity (O)**

- a. There is a revitalization of several traditional markets in Medan City (0,53).
- b. Traditional markets are still the choice of the people of Medan City (0,45).
- c. The existence of the role of the private sector in managing several services (0,38).
- d. The Population Growth of Medan City is quite increasing (0,30).
- e. The number of private investors who want to develop some traditional markets (0,28).

Then the total weight and strength rating on Opportunity is (1,94).

2. **Threat (T)**

- a. The rise of modern markets that have emerged in the city of Medan (0,60).
- b. Private Awareness of Environmental Impacts Still low (0,49).
- c. The amount of the Contribution is often quoted by persons acting on behalf of the City Government (0,49).
- d. The minimum budget that is prioritized by the government (0,35).

Then the total weight and strength rating on Threat is (1,93). The total number of Opportunity and Threat is (3,87). Based on the results obtained above, it can be found strategic priorities for policy, among others:

a. **Priority I**

(Strength - Opportunity (SO) (Value Weight = 3,08).

1. Revitalization of traditional markets in order to provide comfort and convenience for traders and buyers (S1 + O1).
2. Strengthening the Role of Market OPD so that traditional markets in Medan are more well organized (S2 + O3).

3. The role of the private sector in developing traditional markets in Medan is in accordance with the efforts to increase investors towards the development of traditional markets (S3 + O4).

b. **Priority II**

(Strength – Threats (ST) = 2,7)

1. Improvement and development of traditional markets through collaboration with the private sector and the community (S1 + T1).
2. Structuring traditional markets by strengthening security and transparency in market management (S2, S3 + T2,T3).
3. Making traditional markets a development priority scale (S1,S3 + T2,T3).

c. **Priority III**

(Weakness – Opportunity (WO) = 2,63)

1. Strengthening commitment to several markets followed by several market revitalization programs in Medan City (W1,W3 + O1,O2).
2. Increasing Awareness of Traders and investors (private) in developing a go green-based market (W2 + O2).
3. Improvement of facilities and infrastructure that supports a comfortable buying and selling process (W3 + O1,O2).

d. **Priority IV**

(Weakness – Threats (WT) = 2,58)

1. Improving market quality by strengthening human resources in managing it (W1 + T1,T2,T3).
2. Training for traders as a form of community participation (W2 + T2,T3).
3. Strengthening the commitment of the private sector in maintaining the market through the agreed AMDAL Document (W2,W3 + T2,T2,T3).

Based on the priority scale above, the following quadrants can be obtained (Fig. 1).

b. **Process Hierarchy Analysis (AHP)**

Based on the data that has been obtained in the field, there are several priority determinations based on Fig. 2. Then the weighting can be obtained as follows:

a. **Calculation of Total Ranking (Global Priority)**

Based on all the criteria in the approach to the indicators of facilities and infrastructure, AMDAL, Traders Behavior, Safety and comfort. The combination relationship is obtained as shown in Tables 1 and 2.

Based on the conclusions from Tables 1 and 2, it can be concluded that the initial priority and collaboration that must be carried out by several interest groups in managing the market is to carry out market revitalization. It can be seen that the calculation score is 0.6572.

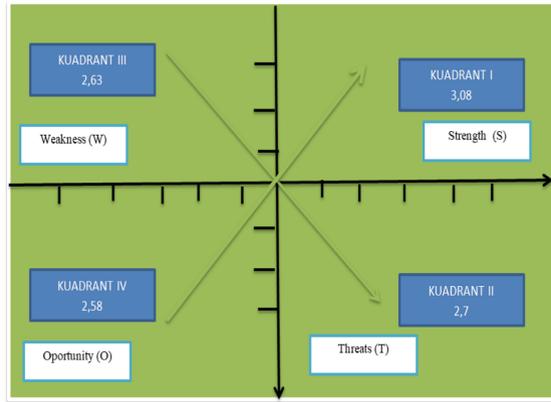


Fig. 1. SWOT Quadrant Results. Source: Authors Analysis, 2022

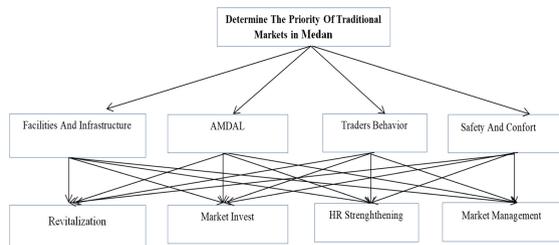


Fig. 2. Tradisional Market Mode Priority Determination Structure. Source: Authors Analysis, 2022

Table 1. Relationship Matrix (Combination)

Hierarchical Weighting					
No	1	2	3	4	5
1		Revitalization	Market Investment	HR Strengthening	Market Management
2	Revitalization	0,1666	0,2727	0,0833	0,1666
3	Market Investment	0,3333	0,2727	0,0833	0,1666
4	HR Strengthening	0,25	0,1666	0,0833	0,1666
5	Market Management	0,0833	0,1666	0,1666	0,0833

Source: Authors Analysis, 2022

Table 2. Total Ranking

Hierarchical Weighting					
No	1	2	3	4	Total
1	Revitalization	0,1643	0,3286	0,1643	0.6572
2	Market Investment	0,1721	0,2275	0,1223	0,5219
3	HR Strengthening	0,1345	0,2321	0,1001	0,4667
4	Market Management	0,1245	0,1703	0,2144	0,5092

Source: Authors Analysis, 2022

5 Conclusion

The results of the AHP weighting obtained are 0.6572 or 65% that there has not been a good collaborative implementation of the arrangement of facilities and infrastructure as well as the procurement of traditional markets and the results of SWOT quadrant I (3.08). infrastructure. So, the recommendation is that strong regulations are built on traditional market planning with monitoring and evaluation, the existence of a support system carried out by the private sector by strengthening the City Materplan and Revitalization Based Tradisional and AMDAL documents as well as monitoring the use of traditional markets by the community.

Acknowledgments. Thank you to Bappeda Medan City, Medan City Market Service, Traders and the community.

Regulation• Undang-Undang Nomor 38 Tahun 2004 Tentang Jalan.

- Peraturan Presiden (Perpres) No 112 Tahun 2007 Tentang Penataan dan Pembinaan Pasar Tradisional, Pusat Perbelanjaan dan Toko Modren.
- Peraturan Daerah (Perda) Kota Medan Nomor 31 Tahun 1993 Tentang Penggunaan Badan Jalan.
- Peraturan Walikota Medan Nomor 9 Tahun 2009 Tentang Larangan Mendirikan Bangunan Tetap atau Sementara Pada Jalan, Drainase, dan Jalur Sejajar Sungai untuk Berdagang atau Berlingdung serta Penunjang.

References

- Ansell, C., & Gash, A. (2007). Collaborative governance in theory and practice. *Journal of Public Administration Research and Theory*, 18(4), 543–571. <https://doi.org/10.1093/jopart/mum032>
- Ansell, C., & Gash, A. (2017). Collaborative platforms as a governance strategy. *Journal of Public Administration Research and Theory*, 28(1), 16–32. <https://doi.org/10.1093/jopart/mux030>
- Asatryan, Z., Heinemann, F., & Pitlik, H. (2017). Reforming the public administration: The role of crisis and the power of bureaucracy. *European Journal of Political Economy*.<https://doi.org/10.1016/j.ejpoleco.2016.08.004>

- Cordella, A., & Tempini, N. (2015). E-government and organizational change: Reappraising the role of ICT and bureaucracy in public service delivery. *Government Information Quarterly*.<https://doi.org/10.1016/j.giq.2015.03.005>
- Creswell, J. W. (2016). *Research Design: Pendekatan Metode Kualitatif, Kuantitatif dan Campuran*. Pustaka Pelajar.
- dinas perdagangan kota medan. (2022). *Dinas Perdagangan Kota Medan*. <https://disdag.pemkomedan.go.id/site/>
- Hood, C., & Lodge, M. (2004). Competency, bureaucracy, and public management reform: A comparative analysis. *Governance*.<https://doi.org/10.1111/j.0952-1895.2004.00248.x>
- Izharsyah, J. R., & Lubis, F. H. (2020). Analysis of masterplan in Medan City determining the strategic area (KSK) social culture fields in Medan. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 3(4), 2821–2834.
- Arianty, N. (2013). Analisis Perbedaan Pasar Modren dan Pasar Tradisional Ditinjau Dari Strategi Tata Letak (Lay Out) Dan Kualitas Pelayanan Untuk Meningkatkan Posisi Tawar Pasar Tradisional. *Jurnal Manajemen & Bisnis*, 13(1), 18–29.
- Safaatur, R. (2018). Faktor – Faktor yang Mempengaruhi Tingkat Pendapatan Pedagang Pasar Juwana Baru di Kabupaten Pati. *Economics Development Analysis Journal*, 7(1), 98–103.
- Rosni, Arif, M., & Herdi. (2016). ANALISIS KONDISI SARANA DAN PRASARANA PASAR TRADISIONAL KAMPUNG LALANG DI KECAMATAN MEDAN SUNGGAL KOTA MEDAN. *Jurnal Geografi*, 8(2), 113–123.
- Yasintha, P. N. (2020). COLLABORATIVE GOVERNANCE DALAM KEBIJAKAN PEMBANGUNAN PARIWISATA DI KABUPATEN GIANYAR. *Jurnal Ilmiah Dinamika Sosial*. <https://doi.org/10.38043/jids.v4i1.2219>

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

