



## THE DYNAMICS OF THE TRADITIONAL ECONOMIC DYNAMICS OF THE SOUTH TAPANULI COMMUNITY IN THE CURRENT MODERNIZATION ERA

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### Abstract

Traditional markets in South Tapanuli have an important role in driving people's economic activities, but the modernization and dominance of the modern retail market poses challenges to the sustainability of the local economy. The background of the problems in this study includes the decline in the competitiveness of traditional markets, changes in people's consumption patterns, and limited facilities and policy support. This research aims to analyze the contribution of traditional markets to the sustainable welfare of the local economy, including aspects of traders' income, community involvement, and regional economic turnover. The research method uses a qualitative approach with field studies in several key markets in South Tapanuli, through in-depth interviews with traders, market managers, and consumers, as well as direct observation of trading activities. The results of the study show that traditional markets remain the center of economic and social interaction, able to increase the income of small traders, and become a forum for the distribution of local products that boost the regional economy. However, the sustainability of traditional markets requires improving the quality of facilities, strengthening management, and government policy support to increase competitiveness. This research confirms that traditional markets have a strategic role in maintaining the sustainability of the local economy in South Tapanuli.

**Keywords:** Traditional Market, Local Economy, Well-Being, Sustainability

### Abstrak

Pasar tradisional di Selatan Tapanuli memainkan peran penting dalam mendorong aktivitas ekonomi masyarakat, namun modernisasi dan dominasi pasar ritel modern menimbulkan tantangan bagi keberlanjutan ekonomi lokal. Latar belakang masalah dalam penelitian ini meliputi penurunan daya saing pasar tradisional, perubahan pola konsumsi masyarakat, serta keterbatasan fasilitas dan dukungan kebijakan. Penelitian ini bertujuan untuk menganalisis kontribusi pasar tradisional terhadap kesejahteraan berkelanjutan ekonomi lokal, termasuk aspek pendapatan pedagang, partisipasi masyarakat, dan perputaran ekonomi regional. Metode penelitian menggunakan pendekatan kualitatif dengan studi lapangan di beberapa pasar kunci di Tapanuli Selatan, melalui wawancara mendalam dengan pedagang, pengelola pasar, dan konsumen, serta pengamatan langsung aktivitas perdagangan. Hasil penelitian menunjukkan bahwa pasar tradisional tetap menjadi pusat interaksi ekonomi dan sosial, mampu meningkatkan pendapatan pedagang kecil, dan menjadi forum distribusi produk lokal yang mendorong perekonomian regional. Namun, keberlanjutan pasar tradisional memerlukan peningkatan kualitas fasilitas, penguatan manajemen, dan dukungan kebijakan pemerintah untuk meningkatkan daya saing. Penelitian ini menegaskan bahwa pasar tradisional memiliki peran strategis dalam menjaga keberlanjutan perekonomian lokal di Tapanuli Selatan.

**Kata kunci:** Pasar Tradisional, Ekonomi Lokal, Kesejahteraan, Keberlanjutan

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## **Introduction**

Traditional markets in South Tapanuli have long been the center of economic, social, and cultural activities of the community. Its existence not only functions as a place for buying and selling transactions, but also as a space for social interaction and a means of distributing local products that support the regional economy. However, in recent decades, the process of modernization and the development of the modern retail market have presented new dynamics that affect the sustainability of the traditional economy in the region.

The entry of modern retail markets, such as networked convenience stores and supermarkets, has driven significant changes in people's consumption patterns. Ease of access, convenient facilities, and aggressive marketing strategies have made people increasingly shift to the practical shopping patterns offered by the modern market. This shift has implications for declining visitor numbers and the competitiveness of traditional markets, which in turn affects the income of small traders who depend on daily trading activities.

In addition, traditional markets in South Tapanuli generally still face various limitations, such as inadequate physical facilities, suboptimal management management, and lack of policy support in favor of strengthening the local economy. This condition weakens the position of traditional markets in the face of economic competition in the modern era. In fact, traditional markets have strategic potential to support the regional economy, especially in distributing agricultural products and local community business products.

In this context, it is important to understand how traditional markets continue to contribute to the economic well-being of the people of South Tapanuli in the midst of modernization challenges. An analysis of the economic dynamics that occur, including how traders, consumers, and market managers adapt, is needed to see the extent to which traditional markets are still a pillar of the local economy and what aspects need to be strengthened to maintain their sustainability.

Based on these conditions, this research was conducted to identify the contribution of traditional markets to the local economy as well as the challenges faced in an effort to maintain their role in the midst of modern retail dominance. This understanding is expected to provide a scientific basis for the preparation of a more competitive and sustainable traditional market development strategy in South Tapanuli.

Traditional markets in South Tapanuli have an important position in the economic and social structure of the community. Over the years, traditional markets have become the main forum for trade activities, places of social interaction, and distribution channels for local products that support the regional economy. However, in recent decades, the trend of modernization and the rapid growth of the modern retail market present quite serious challenges to the existence of traditional markets.

The existence of modern retail markets, such as minimarkets and networked supermarkets, has changed people's shopping preferences. Modernization that offers convenience, cleanliness, and shopping efficiency encourages a shift in consumption patterns. As a result, traditional markets have experienced a decline in the number of visitors, a weakening of competitiveness, and stagnation in the income of small traders who have been dependent on market activities for their livelihoods.

The problem is increasingly complex because there are still many traditional markets in South Tapanuli that face limited physical facilities, suboptimal management, and lack of policy support. This causes traditional markets to have difficulty adapting to the dynamics of the fast-moving modern economy. In fact, traditional markets have great potential to continue to contribute to the local economic turnaround, especially through the absorption of informal labor, the distribution of local agricultural products, and the strengthening of the economic networks of small communities.

Various previous studies have highlighted the issue of the competitiveness of traditional markets, the impact of modern markets on changing consumer behavior, and the importance of revitalizing traditional markets. However, most of the research only examines the relationship between traditional and modern market competition without comprehensively linking it to aspects of local economic sustainability. In addition, specific studies of the dynamics of the traditional economy in South Tapanuli, with their distinctive social and cultural characteristics, are still very limited.

The novelty of this research lies in its approach that not only analyzes the impact of modernization on traditional markets, but also examines the real contribution of traditional markets to the sustainability of the local economy in South Tapanuli. This study integrates the analysis of traders' income, community involvement, and regional economic turnaround with empirical conditions in the field through in-depth interviews and direct observations. Thus, this study provides a holistic picture of how traditional markets continue to function as a pillar of the regional economy, as well as identify strategic needs that must be met to increase their competitiveness in the modern era.

Through this novelty, this research is expected to provide a more complete understanding of the dynamics of the traditional economy in South Tapanuli and become a basis for local governments and stakeholders in formulating policies to strengthen traditional markets that are sustainable and oriented towards local economic empowerment.

## **Research Methods**

This research uses a qualitative approach with the aim of understanding in depth the dynamics of the traditional economy of the South Tapanuli community in the context of modernization. The qualitative approach was chosen because it is able to describe socio-economic phenomena holistically and capture the experiences, perspectives, and dynamics experienced directly by traditional market participants. Data collection was

carried out through field studies in several key markets in South Tapanuli, including markets that have a significant role in the regional economic turnaround.

Data collection techniques include in-depth interviews with traders, market managers, and consumers to obtain information about the contribution of traditional markets to income, social interaction patterns, and challenges faced by modern market developments. In addition, direct observation is carried out to see the physical condition of the market, daily trading activities, and interaction patterns between traders and buyers.

The data obtained was then analyzed descriptively using thematic analysis techniques, namely identifying patterns, categories, and meanings of relevant field findings. The validity of the data is strengthened through source triangulation, which is comparing information from various sources and observation results. With this method, the research is expected to be able to provide a comprehensive picture of the contribution and sustainability of the traditional market in the local economic dynamics of the people of South Tapanuli.

## **Results and Discussion**

### **Result**

The results show that traditional markets in South Tapanuli still play a very important role in supporting local economic activities, despite facing strong pressure from the expansion of the modern retail market. Field findings show that traditional markets remain the center of economic and social interaction of the community. Traders state that traditional markets provide a major source of income for them, even for most small traders, the market is the only place to carry out economic activities without the need for large capital or strict administrative requirements.

Through direct observation, it can be seen that trading activities in the traditional market take place dynamically, especially on certain market days. Local products such as agricultural products, traditional foods, and handicrafts are still the main commodities traded, so traditional markets serve as important distribution channels for local products that then drive the region's economic turnaround. Consumers also show a preference for traditional markets to buy certain daily necessities, especially fresh products that are considered more quality and affordable.

Interviews with traders and market managers revealed that although traditional markets remain in demand, they face a number of challenges, including inadequate facilities, ineffective governance, and limited government support in market revitalization. Many markets do not have good sanitation facilities, well-organized parking areas, or neat kiosk arrangement systems. This makes the traditional market less competitive with the modern market which offers more guaranteed comfort and cleanliness.

In addition, the study found that changes in people's consumption patterns, especially the younger generation, also affected the decline in visitors in several traditional markets. The ease of access to modern retail stores spread to villages has caused some

consumers to switch to the concept of practical shopping. However, consumers still consider traditional markets important because they are closer to the local culture and provide a bargaining space that is characteristic of people's social interactions.

The study also found that the sustainability of traditional market economies depends on three main factors: improvement of physical facilities, improvement of the quality of management management, and strengthening of local government policies. Government support, such as market revitalization programs, infrastructure improvements, and management training for traders, is considered very important to increase the competitiveness of traditional markets in the era of modernization.

Overall, the results of the study confirm that traditional markets in South Tapanuli still have a strategic contribution in maintaining the sustainability of the local economy. Despite facing various challenges, traditional markets are still a vital economic and social space, and have great potential to be strengthened through targeted development efforts based on real needs on the ground.

## Discussion

The results of the study show that traditional markets in South Tapanuli still have a strategic role in supporting the sustainability of the local economy, even when faced with the challenges of modernization and competition from the modern retail market. These findings confirm that traditional markets serve not only as centers for economic transactions, but also as spaces for social interaction and guardians of local cultural sustainability. In the context of local economic theory, traditional markets play a key role as the main driver of small community economies because they provide opportunities for traders with limited capital to remain productive and economically independent.

The role of traditional markets as the main source of income for most small traders suggests that their existence is still very relevant. This condition reinforces the argument that traditional markets are an important pillar in the region's micro-economy. Through daily buying and selling activities, traditional markets also encourage money turnover at the local level, thereby creating a multiplier effect on other sectors such as transportation, agriculture, and home-based businesses. This is in line with previous studies that have stated that traditional markets have a vital role in improving community-based economies. However, this study provides novelty by showing how these dynamics take place in the context of South Tapanuli which has different social and cultural characteristics compared to other regions.

In the face of the development of the modern market, traditional markets in South Tapanuli experience various challenges that affect their competitiveness. The lack of physical facilities such as sanitation, kiosk comfort, and suboptimal market governance are the main inhibiting factors. Lagging behind in terms of these facilities weakens the image of traditional markets in the eyes of consumers, especially the younger generation who tend to opt for more practical and modern shopping facilities. Another challenge that

arises is the change in people's increasingly pragmatic consumption patterns, where easy access and convenience of shopping are the top priorities. These findings are in line with national trends, but this study presents a more contextual picture of how these changes in consumption patterns have a direct impact on traditional market traders in South Tapanuli.

Nonetheless, the study also shows that traditional markets still have a number of competitive advantages that are difficult to replace by modern markets. Personal social interaction, flexible pricing, and the availability of fresh local products are the main attractions for consumers. These advantages prove that traditional markets still have social and economic value that cannot be completely replaced by modern markets. The novelty of this research lies in how these advantages are analyzed in the context of local economic sustainability, not just as a characteristic of traditional markets.

Another important discussion is the need for government attention in strengthening the sustainability of traditional markets. Support in the form of revitalization of facilities, provision of adequate infrastructure, and training for traders in business management are urgent needs so that traditional markets are able to adapt to changing times. The study confirms that government intervention is not only important to improve the physical condition of the market, but also to improve the overall competitiveness of the local economy.

Overall, the discussion of this study shows that the traditional market in South Tapanuli is a dynamic economic system and has great potential to continue to develop. Despite the pressure of modernization, traditional markets remain an important pillar of the economy and have opportunities to be improved through local needs-based strengthening strategies. The integration of field findings with the analysis of local economic sustainability is the main novelty of this research and makes an important contribution to the development of literature on traditional markets in the context of regional modernization.

## **Conclusions and Suggestions**

### **Conclusion**

Based on the results of the research, it can be concluded that traditional markets in South Tapanuli still play a strategic role in supporting the sustainability of the local economy. Traditional markets serve not only as a center for economic transactions, but also as a space for social interaction, a container for the distribution of local products, and a source of income for small traders. Despite facing challenges in the form of competition with modern markets, limited facilities, and changes in people's consumption patterns, traditional markets are still able to increase regional economic turnover and maintain the sustainability of the community-based economy. Its existence shows that traditional markets have irreplaceable social, cultural, and economic value, so they need attention and support to maintain their function.

## Suggestion

To maintain sustainability and increase the competitiveness of traditional markets, local governments need to provide support in the form of improving physical facilities, more professional market management, and training and mentoring programs for traders. In addition, the traditional market development strategy should emphasize the use of local advantages, such as agricultural products and regional crafts, as well as strengthening social interaction as an added value that distinguishes traditional markets from modern markets. Community awareness and involvement are also important to maintain the existence of traditional markets, so that these markets are not only a place for shopping, but also a pillar of the local economy that is sustainable and oriented towards the welfare of the community.

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