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The Traditional Market of Indonesia: A Challenge and Opportunity After AEC in Industrial Revolution 4.0

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ABSTRACT: The traditional market existed before the new challenge in marketing era begun. It has been part of traditions, where the public interaction often happens. Back to the history, traditional market not only the place to trade or exchange the bargaining products or goods but also the place where religions, politics is spread among the people. In years, it also faces many challenges, started from the ASEAN Economic Community, whereas the open and modern market is noticeably entered to the traditional market. The local products were competed and even some were defeated from the cross bordered market. In this condition, the traditional market was still being an attractive place for the people, compare to its originality or authenticity, quality of freshness, and in the other way could be a new attractive place to go or an attractive place for tourism. In following, the revolution industry 4.0 lately begun the new trend to be passed by the traditional market. The people are tent to buy the products through online applications dan payments. They used to make the market trend to be easily catch up by the users anytime. This might the latest challenges to be faced by the traditional market to compete with the new era competition, yet it is still has an opportunity to the new market era. In this writing, the writers used to deliver how the traditional market compete after AEC, during revolution Industry 4.0, and how the government regulate and protect the existence of the traditional market. This writing is using the normative juridical method, which use the applicable laws and regulations to analyse the legal issues. The data is collected based on the prevail regulations, literature studies, and data analysis. The paper aims to elaborate the opportunities and the challenges of traditional market in Indonesia to support the economic growth due to the new industrial market era, also to get to know how the government regulation in this situation, besides mentions some recommendations regarding the solution to overcome the challenges of the traditional market and the way to strengthen the position of traditional market include the protection of traditional market and the development of the market. Aside from that, the existence of the traditional market in the modern era could improve competitiveness and creativities. A challenge could be the new opportunity if the market strategy applied well.

KEYWORDS: Traditional Market; Revolution Industry 4.0; Government Regulation

I. INTRODUCTION

Traditional market in Indonesia has begun since 10 century, according to the Indonesian Ancient History. Traditional market has been a tradition, habit even the history where the transactions happened in the past and nowadays. For decades the traditional market has been elaborate the regional and national economic growth. By the early 1970s, a modern market begun to invade the market. The market targeted the middle to upper social class, as said Ferry Susanto Limbong. This conditions also leaked a cultural shift or habits for the people. While in 1990s the supermarket trend is infiltrated the towns. Supermarket has broader and various products to sell to the customers, which the government income also increases. This policy where supermarket are allowed to establish in small city or town might give an advantage for both government and citizens. The government gained the tax income, and the job vacancies also available for the residents. As in ordered to improve the economy, Indonesians are looking for business opportunity, they are setting up the business in both way individually and groups.

As it seen, none of citizen are likely to choose their job as seller or trader in the traditional market, but because they are the person who are in charge in the family to pay out their family bills, not much job offer for them those who has low skill but high commodity or demand. One of the most Important skill which is used is the marketing ones, where the seller is required to has the ability in bargaining prices of the goods. However, before the modern market hit the trend, the traditional market already begun the main centre of business and sales, which provide a positive impact for social circulation of society and economy . Moreover, the establishment of Modern market also make the traditional market traders anxious and feeling unsafe for their socio-economic sides. They wished the government will protect them, and limit and rigid the regulation of modern market establishment.

The traditional traders also has their own community which is called APPSI as the abbreviation for Asosiasi Pedagang Pasar Seluruh Indonesia or the Indonesian Association of All Market Trader, according to Herman Malano in 2011. This association is used to initiate strengthen the brotherhood among the traders to gain and maintain the traditional market in the next era. Meanwhile in South East Asian countries also have an initiative to create such community, in a regional area which called Asean Economic Community (AEC), was established on December 15, 2015, and the strategic plan is planned to be strengthen and reinforced until 2025. AEC is a realisation of the region's end goal of economic integration. To support the regional economic growth, this kind of community is made. The member of AEC are Indonesia, Singapore, Malaysia, Brunei Darussalam, Laos, Vietnam, Thailand, and Myanmar. Meanwhile, even the Timor-Leste is already joined since 2022, it is not yet a member or AEC, based on the latest AEC Blueprint. The AEC itself is aimed to achieve the regional sustainability development by growing the economic strength together. It creates the competitiveness of regional economics, as well as to integrate into the global economy. Traditional market itself begins from the community, so that it creates groups of people sociologically, strengthen their communication among the community. In further, this community began to start a new thing, in economic growth. So that the community is still connected in several aspects of life, including the economy. This goal is also used by the AEC as the ASEAN Community, to achieve the economic growth of the community. It is also as the form of continuation of the AFTA establishment in 1993. In orders to reduce the poverty and socio-economic disparities. The traditional market development in Indonesia, is also influenced by the AEC and others community. As for example, the free visa for travels already offered to enhance the tourism and economical income of a country. This is a reason where the writer is connecting the importance of AEC development with the Traditional Market to encounter the 4th Revolution Industry. The challenge is to compete across the border, that is why our market competitor is no longer the modern market but it is a wider competitor, such as the neighbourhood country and even others.

Overall, the ASEAN Economic Community works toward achieving deeper regional economic integration, fostering prosperity, and improving the standard of living for the people in the ASEAN region. By the time, ASEAN concern in advancement towards the world is getting serious and complex. It is proved by many programs that handled by ASEAN to gain their seriousness to conquer the world together. The hot topics of this advancement is that the AEC (Asean Economic Community) which is started since the end of the year 2015, as such a leap to a fresh advancement of ASEAN economic aspect towards the world. This chance is a gate for the member to trade easily in the region to start the competitiveness and creativity as the exercise before conquer the world's economy. The important of establishing this regional market is that because the ASEAN has the opportunity if the high productivity products and market in its region, moreover has the same tone market that will complete the market trading each other.

This organization lead and gather the member into a real development in the whole aspects as what been concern since in the beginning. Not only in economic but also in the other aspects of life for the development of the members. Concern about the market in ASEAN, the traditional and modern market are competed each other in fact, and by their uniqueness which is make them stand in the modern economic era competition. Each market provides their advantages to dominate the market. The AEC existence seems doubting the traditional market endurance in the modern marketing, the low prices advantages will not survive longer as the reason to keep stand, but within their uniqueness it can attract the tourism as the new destination to visit the traditional market.

Right after the AEC, traditional market has increased the seriousness in carrying out the quality and quantity of the goods and services offered. To compete with the regional market, farmers and sellers in the market tend to supply the most demanded products. In addition, the government already regulate the policy to limit the imported products, and the modern market phenomenon after the AEC created. Through years, some of traders cooperate with the businessman to learn about this scope of advantage market. Their skills are updated, some others can export fresh commodities to region (SEA/South East Asia). Regional transaction will be profitable because of it is open for cross border trade in it.

The challenge of traditional market is unstoppable, where the 4th industrial revolution is hitting the market in that early 21st century. In Indonesia, since the Covid-19 pandemic happened, the industrial revolution is skyrocketed and keep going up. Aside from that, not every industrial revolution and broader targeted market are given the positive impacts. There are still chances and opportunities for the traditional market. As we seen from the history, been decades that traditional market is having a speciality for the community, either in economical and psychological aspects.

Thus, this writing aim is to describe and even further analyse which challenges and opportunities that faced by the traditional market existence due to the AEC and 4th revolution industry, does the community prepared enough to face the cross bordered/global market influence, also knowing how far the government protect its presence. By using socio-cultural legal research, it is collecting the data from the statistics, and literature reviews, to comprehend and overview the understanding of why traditional is important for the communities, what are those challenge and opportunity for the next generations, does community prepared enough for global market, also understanding how far regulate and view this phenomenon.

II. RESEARCH METHODS

The research is using a qualitative research method, which help describe social facts and phenomena systematically and comprehensively based on existing data, including regulations and previous survey results. The case study approach allows researchers to focus the analysis on a specific phenomenon, namely traditional markets in Indonesia in the context of AEC and Industrial Revolution 4.0. Secondary data collection and analysis techniques through documentation, literature studies, and analysis of regulatory documents are very suitable in this study. Secondary data in the form of survey results and regulations are usually analysed qualitatively to describe the conditions, challenges, and opportunities of traditional markets in depth without manipulation of primary data.

III. CONTENT

A. The Uniqueness of Traditional Market

Traditional markets in Indonesia have played a crucial role in the nation's socio-economic and cultural development. Their origins trace back to the 5th century during the reign of Kutai Kertanegara, when markets were strategically placed near harbours and riverbanks to facilitate trade and distribution. Over time, particularly during the Dutch colonial era, traditional markets expanded and relocated to urban centres, adapting to the growing economic and social demands. The regulation of market activities within specific timeframes significantly influenced the naming conventions of many traditional markets. For instance, Pasar Senen in Jakarta and Pasar Legi in Yogyakarta derive their names from the designated trading days in alignment with the Javanese calendar system. This time-based organisation demonstrates how indigenous traditions continue to shape economic structures and social interactions. The 1960s and 1970s are often regarded as the golden era for traditional markets in Indonesia, highlighting their integral role in both economic sustainability and cultural preservation. These marketplaces serve not only as hubs of commerce but also as centres of communal interaction and cultural expression (Yanti and Pudjianti, n.d.). Communities have long embedded spiritual beliefs in market operations, reflecting a deep connection between humans and nature. The belief that nature possesses a spiritual essence has led to the practice of offering tributes to maintain harmony and respect within the environment. An exemplary case of cultural integration within a traditional market is Pasar Gede in Surakarta. The adoption of the Javanese calendar for market activities underscores the community's spiritual beliefs and strengthens social cohesion. Markets have historically functioned beyond economic they serve as spaces where people foster relationships, engage in intercultural dialogue, and sustain collective memory and resilience. In essence, traditional markets in Indonesia represent more than just economic entities; they are living embodiments of cultural heritage, social bonds, and community ingenuity. Safeguarding these markets is essential not only for economic sustainability but also for the preservation of intangible cultural heritage, ensuring that historical traditions continue to thrive amid modern transformations (Barkatullah et al., 2024).

Traditional markets in Indonesia have long been an integral part of both urban and rural communities, serving as centres for economic activity and social interaction. As a vital aspect of the nation's cultural heritage, these markets have historically facilitated trade and commerce. However, in recent decades, traditional markets have faced challenges due to the rise of modern markets, leading to their gradual displacement. The sluggish growth of traditional markets can be attributed, in part, to government-led efforts to modernise and regulate them.

One of the primary concerns surrounding traditional markets is their perceived lack of cleanliness and order. Traditional markets are often criticised for being unhygienic and disorganised, particularly in comparison to modern markets, which are structured, well-maintained, and easier to regulate. Additionally, the commercial framework within traditional markets involves various forms of taxation and financial contributions, making them an essential component of local governance. Public participation in market regulation is characterised by citizen engagement, two-way communication, and interactions between various stakeholders both ad hoc and permanent which influence policy decisions and their outcomes. The governance of traditional markets thus reflects broader political and bureaucratic realities.

Despite these challenges, traditional markets continue to play a critical role in the economic development of local communities, particularly small-scale traders, and entrepreneurs. Their significance extends beyond mere economic transactions, as they foster communal ties and contribute to regional economic sustainability. Furthermore, these markets positively impact local governments by supporting the development of the hospitality industry in urban areas. Strategic initiatives, including policy facilitation, marketplace preservation as cultural artefacts and tourist attractions, integration with broader tourism programmes, and optimisation of market management, help position traditional markets as viable destinations. These strategies, as noted by Aliyah, Daryanto, and Rahayu (2007), underscore the intersection between economic viability and cultural heritage preservation. Another unique feature of traditional markets is the minimal friction among community members, largely due to the influence of customs and traditions in resource distribution. Individuals recognise their roles within the production process, whether as farmers, hunters, or artisans, creating a sense of collective contribution. Additionally, traditional markets attract consumers through competitive pricing, bargaining opportunities, and personalised interactions. Unlike modern markets, where fixed prices dominate, traditional markets allow price negotiation, offering consumers the chance to secure lower costs through negotiation. Furthermore, these markets retain the loyalty of older generations who prefer traditional shopping experiences, necessitating merchant adaptation to attract younger consumers the future market participants.

A distinguishing element of traditional markets, compared to their modern counterparts, is the role of the government in regulating market conditions to ensure they remain aligned with societal needs while protecting all market participants, including buyers and sellers. The integration of technology has also opened new avenues for traditional markets to promote their goods and services in innovative ways. Social media has become a key tool for enhancing market visibility and attracting new visitors. For instance, Sunday Morning Market in Yogyakarta exemplifies the use of digital marketing strategies to appeal to local tourists, thereby transforming into a cultural and commercial attraction. While not all traditional markets need to adopt identical approaches, the adaptation of modern marketing techniques along with structured coordination, staffing, and promotional efforts can significantly enhance their sustainability and relevance. Ultimately, traditional markets in Indonesia represent more than economic entities; they are dynamic spaces that embody cultural identity, historical continuity, and communal resilience. Safeguarding these markets requires a balance between modernisation efforts and the preservation of intangible cultural heritage, ensuring that traditional market practices continue to thrive in a rapidly evolving economic landscape.

B. Traditional Market After The AEC

The Evolution of the ASEAN Economic Community (AEC)The concept of the ASEAN Economic Community (AEC) was first introduced in the ASEAN Framework Agreement on Enhancing ASEAN Economic Cooperation, which was signed in 1992. This agreement emphasised the importance of cooperation across various sectors, including trade, industry, minerals and energy, finance and banking, food security, forestry, agriculture, transportation, and communications. Following the adoption of this framework, the ASEAN Free Trade Area (AFTA) was established, serving as a crucial step toward the creation of the AEC. The formation of the AEC aimed to enhance regional economic integration, enabling ASEAN member states to collectively strengthen their economies and advance to a higher level of global economic competitiveness. Recognising the need to stimulate growth and stability, ASEAN nations sought to transition from middle-income economies to more robust and competitive markets, thereby improving their position within the global economic landscape.

At the Bali Summit in October 2003, ASEAN leaders formally declared the ASEAN Economic Community (AEC) as the primary objective for regional economic integration, as outlined in Bali Concord II, with a target for implementation by 2020. In addition to the AEC, two other foundational pillars the ASEAN Security Community and the ASEAN Socio-Cultural Community were introduced as integral components of the envisioned ASEAN Community. These three pillars were designed to function collaboratively, ensuring a comprehensive and cohesive approach to regional integration, with the goal of establishing a unified ASEAN Community by 2020. Subsequently, at the ASEAN Economic Ministers Meeting (AEM) held in August 2006 in Kuala Lumpur, Malaysia, participants agreed to develop a single, coherent blueprint for advancing the ASEAN Economic Community (AEC). This blueprint aimed to identify the key characteristics and elements of the AEC, ensuring alignment with Bali Concord II and setting clear targets and timelines for the implementation of various measures. Additionally, pre-agreed flexibilities were incorporated to accommodate the diverse interests of all ASEAN member states.

At the 12th ASEAN Summit in January 2007, ASEAN leaders reaffirmed their strong commitment to accelerating the establishment of the ASEAN Community by 2015, as envisioned in the ASEAN Vision 2020 and the ASEAN Concord II. During the summit, they signed the Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015, which outlined their dedication to expediting regional integration efforts. Specifically, the leaders agreed to accelerate the formation of the ASEAN Economic Community (AEC) by 2015 and to transform ASEAN into a region characterised by the free movement of goods, services, investment, and skilled labour, as well as the freer flow of capital. This initiative aimed to enhance economic cooperation among member states and strengthen ASEAN's position in the global economy.

The importance of external trade to ASEAN and the need for the ASEAN Community to remain outward looking, the AEC envisages the following key characteristics:

1) a single market and production base

2) a highly competitive economic region
3) a region of equitable economic development
4) a region fully integrated into the global economy.

These characteristics are inter-related and mutually reinforcing. Incorporating the required elements of each characteristic in one Blueprint shall ensure the consistency and coherence of these elements as well as their implementation and proper coordination among relevant stakeholders.

Indonesia has a huge opportunity from AEC, where this is the event to compete well in the region to point out about the competence of Indonesia in the global competition, for those parties that can compete globally. This opportunity is proved by the economical scale which is in 16th rank in the world as the middle group that is developing which has potential as the importer consumer with the heterogeneity society, besides the Indonesia Government are in progress to keep develop the of investment rank, and Indonesia has conducive economic stability. Moreover, to be able to compete with the modern society, as the revolution industry 3.0 was begun, and keep going, the Indonesian Government need to take a leap to gather the nations to grow together as the middle-class country to gain relationship, and be able to conquer the global or massive market in the future. As the concept of the traditional market itself, where group of people as the cultural heritage to maintain the communication or relationship, could catch up to the next level of economic aspects. Whereas, the community may strengthen the member in social and economic aspects, so that, Indonesian and other ASEAN countries members also agree to conquer the global market, the community will be able to strengthen each other in several aspects. When the social aspects already gathered, by economic reasons, the community members will be appreciated and actively participated in ordered to achieve the same goals.

The Challenges that face by Indonesian Traditional Market by the AEC era are:

Table 1. Shown the Challenges Face by Indonesian Traditional Traders in AEC era

Number	Challenges during AEC era
1	Labour and Job Opportunities
2	Competition Risk
3	Human Resources

1. Labour and job opportunities

In AEC, the job opportunity was varied and kept raising in Indonesia. But it has been already a challenge for the Indonesian worker who has no skill certification skills and less skills to compete with the other ASEAN members.

2. Competition risk

Many imported goods are come across and compete with other local products so that is the government need control the quantity of imported products, there is a high probability that the local producers could be decreased and even collapse in a worse condition. Such as the rice paddy stocks, in a year sometimes the government are not able to fulfil the stock, so that it is needed to import the products from the neighbourhood.

3. Human resources

A challenge for the government to alter, repair the human resources to face the AEC, even if the AEC is not existed before, the government should be in attempt to have a progress of the human resources development, where it will impact for the state also. The society is also the party that should be involved in this case, because the impact or effect will be directly influence them. So both of the parties should be collaborate and cooperate well to establish the development of Indonesian quality.

Despite the challenges posed by the AEC, some ASEAN countries have managed to transform them into opportunities for their traditional markets. Thailand is one such example. Traditional markets such as Chatuchak Weekend Market are promoted as tourist destinations in Thailand, blending commerce with cultural tourism. The government supports these efforts by upgrading infrastructure and marketing traditional markets as key attractions that help preserve heritage and boost the local economy. This shows that, with the right support from targeted government strategies and adaptive local practices, traditional markets can thrive in the AEC era.

C. The Revolution Industry 4.0

The 1st industrial revolution is happened in the 18 – 19 centuries, where the agricultural community are transitioned into the urban ones, and started to invented in industries, such as electricity, train, iron, textiles, steam machine, etc. The England was dominate the market and its demand by the government of its inventions are the reason that triggered the revolution. The 2nd industrial revolution was begun in between the year of 1850 -1914. Following this, the 3rd Industrial Revolution which often referred to as the Digital Revolution, began in the late 20th century, characterized by the rise of electronics, information technology, and automation, fundamentally changing how industries operated worldwide. This era, the airplane, cars, and engine industrial are developed.

The 4th revolution industrial characteristics are:

1. Robots

The robot and automation to place the human labour that cut the industrial expenses. The robot will be using the AI technology which is no longer require a human decision or autopiloting (Schwab, K. 2017).

2. Artificial Intelligence (AI)

AI and machine learning technologies allow systems to learn and improve from data without direct human intervention. AI is used for predictive analytics, predictive maintenance, and in automating various processes in factories and other industries

3. Internet of Things (IoT)

IoT technology allows physical devices to connect with each other through the internet, enabling real-time data exchange. In industrial contexts, IoT is used to monitor and optimize production processes, improving efficiency and reducing operational costs (Lasi, H., et al. .2014).

4. Big Data and Data Analyst

In the Fourth Industrial Revolution, the collection and analysis of large volumes of data (big data) are central to business and operational decision-making. Companies can access real-time data to improve efficiency, identify previously unseen patterns, and make smarter decisions (Manyika, J., et al. 2011).

5. Cyber-Physical Systems and Smart Manufacturing

Cyber-physical systems (CPS) are the integration of physical components and software. In industry, this creates "smart factories" where production systems operate automatically with interactions between the physical and virtual worlds. These factories can optimize processes, respond to market demands, and adapt to changing conditions autonomously.

6. Cloud Computing

Cloud computing enables centralized data storage and global access, supporting operational flexibility and cost-efficiency. It allows companies to access applications and data from anywhere, which is crucial for globally distributed operations

7. 3D Printing

3D printing, or additive manufacturing, allows products or components to be made by adding layers of material, rather than cutting or shaping them. This enables mass customization, faster production, and reduced material waste

8. Integration and Collaboration System

In the Fourth Industrial Revolution, there is a higher degree of integration between systems and processes within industries. This includes the integration of production systems, supply chain management, and customer relationships, creating an ecosystem that allows better management of manufacturing and distribution processes (Jeschke, S., et al. 2017).

9. Mass Personalisation and Customization

With advancements in digital technology, companies can offer products that are more personalized to individual demands. Manufacturing becomes more flexible in producing large quantities of customized products that meet customer preferences, enhancing the consumer experience. Furthermore, in this era, the digital marketing is one of the important power in order to create a massive consumer believe what they need.

As the traditional market, the traders are force to fulfil what's society need. Meanwhile in the modern era, by using the internet, and promoting the digital marketing, the trader will be able to create what consumer needs. So it is basically turn the psychology of consumption. By this era, consumer tends to be allured to consume something that they don't really need. Such an example, the main daily needs by the customer are foods, clothes, properties. By this revolution, the trader could create the needs of a customer, such as the online transportation, online market, online payments, online negotiations. This online world was never existed before, but by this era, everything is done by online. Because it is fast, easy, convenient, and transparent. That options was never been done and thought by the customer before. This experience is given to the customer, so that the sense of mindful, consumption, has been changed. The digital era, change the psychological consumption of a customer.

D. The Influences of 4Th revolution industry for the traditional market in Indonesia

Dealing with the 4th industrial revolution, the traditional market seems to face the difficulty of gaining the customers and selling the goods. The e-commerce has been massively attacking the market, so that it is makes easier and faster for the customers. This e-commerce influence might be an advantage for the modern customers, those who has a limited time and access to purchase. In the other hand, this could be a devastating situation to the traditional market traders, those who are mostly the oldsters that have limited ability and capability to navigate the digital compartment. There are several reasons that makes e-commerce are mostly interested to buy:

Table 2. Reasons which make E-Commerce are interested to the customers

Reasons	Excellence
Deals	Interesting Promotions
Prices	Lower Prices
Deals	Various Payment Methods

The other reasons based on the statistics data from Goodstats, which is collected form the consumer's survey, it is shown that there are several reasons people tend to shop through e-commerce, such as:

1. Coupons and discounts

Many of online platform give coupons and discounts to attract the buyers. This method is also cannot be used for all of the online sellers, they must follow the platforms terms and conditions.

2. Reviewed from previous buyers

By having several reviews from past buyers, the other buyers tend to believe and ensure their buying. They could check the credibility of the buyer through the comments and photo reviewed sections. Both reviewed and comments from the previous customer will increase the company or seller's reputations.

3. Free shipping

Compare to the traditional market, the buyer could use the coupons and get the free shipping. This could be easier for the consumers especially the housewives. Reduce the transportations fee, and fast delivery goods. This could not be used in a certain occasions, the consumers or buyers need to schedule the transactions.

4. Easy payment or transaction

It is given a choice by a lot of payment method to attract the interest of a buyer.

5. Lots of like and comments from previous buyers

The previous reviewed from the past buyer, also the respond by commenting or like the products, also another way to attract the customer.

6. Cash On Delivery payment

Nowadays, this system is being a new trend in a transaction, especially in e-commerce era. The people or buyer are allow to order the goods without making first a payment, but pay right after the order make, and when the good is coming up. In several platform it is even possible to check when the good is coming, and could decide whether the goods will be returned or paid at that moment. Statistically, based on the data in 2021, 83,11 % of e-commerce sellers are using this kind of method payment (BPS Statistik eCommerce 2022, 2022), compare to the year of 2022, it is shown 82,26 %, it shows that the animo of people are higher than conventional market method.

7. Easy return of goods

To gain more trust of the buyers, the seller given an option to return their goods if it is not as well as their promise.

8. Fast shipping

One of the motto of each e-commerce is fast shipping. The goods will be delivered soon.

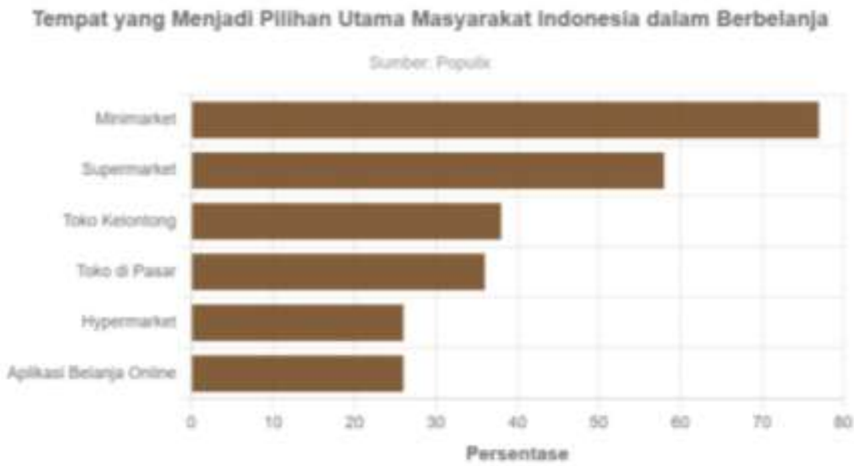
9. Eco-friendly products

The interest of nowadays customer regarding to the environmental concern are a lot, so that eco-friendly products that offered buy the seller could be one of another unique purpose to be chosen by the customers.

Aside from that, e-commerce influence has changed the customers view of fresh market. If the location of traditional market is not strategic, cozy, or even fancy the customer tend to use e-commerce to order their needs. A lot of sellers are forcedly closed their shop to maintain their psychological health and income. According to Ismul Bathni and Deni Darmawan in 2011, said that the present sellers acknowledge an increase impact of e-commerce in the future, especially in the city area. E-commerce is a wide range market, where broaden both seller and buyer are existed. It means, the commodity or heterogeneity is lies on the e-commerce, meanwhile the traditional market has limited stock and products available.

E. The Challenge and Opportunity for The Next Generation of The Traditional Market

The Covid-19 Pandemic in 2019 until 2020 was a nightmare for all offline market in any sectors, where people tend to have a distance activity, many of offline stores were closed or even changed to the online ones. Emerging this condition, the economic growth was not significantly made up until nowadays, many of them are survived, or closed. This could be a new unpredictable challenge to the next generations in ordered to create a new or continue business with sustainability reasons. They could be able to adapt the previous, current, and next business challenges possibilities. It is also the new challenge for the next traditional market existence, to consider the survival mode into the unpredictable situations.



Picture 1. Picked places to go shopping

The picture above shown that the traditional market is the 4th option of 5 options. Which is give the answer that traditional market is facing the big deal challenge in this recent revolution industry. Besides the pandemic or global phenomenon that change the market, the competition is quite tight. The traditional market needed to be protected and regulated in order to cover the economic growth for the small business enterprise (SME) and the tourism attraction. The business competition must be regulated, to limit the market business in the current situations, not because of the government aim to limit the economic growth in market sectors, but to supervise the market business and protect which has been owned by the people. It refers to the traditions, habits, attractions, SME, and tax retributions. If the market is dominate by the supermarket, it might be an advantage to the tax retributions, because of higher income tax to the government, aside from that many of reasons which policy must be considered and taken, that good or better for the society itself, especially for the economic growth (jobs, transactions). This could be dilemma for the government, but also a challenge to balance how the traditional market is still existing nowadays. The seedy and chaotic image must be taken out from the traditional market to increase customer attractions. The market itself, are dealing with the car parking area in demand. In recent years, the four wheelers user or car user are increase, so that the previous layout of traditional market is not relatable anymore. People are demanding the wider, safer, fancier parking area to attract them to shop inside the market. What makes further serious problem is that, the illegal parking attendant are also an unstoppable problem. Based on the personal experience, another matter that may often find around the market is the unsuitable scales of the seller, and many people find out. This lead to a sceptical issue for those who unable to distinguish the right scales. Aside from that, the government also need to take this phenomenon in a serious way. The psychological factor that faced the traditional market seller need to be taken out. Furthermore, the next generation will experience the double taxation of both offline and online store, where 0.5% of gross income must be taken out to the taxation, it is followed by the tax increased 12% in 2024 and even gradually go up in in each 2 or 3 years ahead.

From passage above, we could conclude that the challenge of traditional market traders in the future are :

1. Facilities

The modern market already has their own standards in ordered to run and attract the customers. They tend to understand and observe the customer's needs, so that they could catch up to the latest trend. One major ongoing issue with traditional market's facility is poor sanitation, which often deters visitors and creates a negative perception of traditional markets. There is also an urgent need for infrastructural innovation to make these markets more appealing. Meanwhile, some traditional markets in Indonesia have been revitalized and regulated, but this has not yet been implemented consistently across all regions. Regional governments must take an active role in improving these markets to meet community needs.

2. Locations

Strategic locations could be one of consideration by the customers. They tends to visit the accessible or nearest place to visit.

3. Digital Adoption

Another significant issue facing traditional market traders is their limited adoption of digital technologies. The absence of digital payment systems, online marketing, and user-friendly e-commerce platforms may result in the loss of younger, tech-savvy consumers and hinder operational efficiency in the Industry 4.0 era.

4. Accessibility

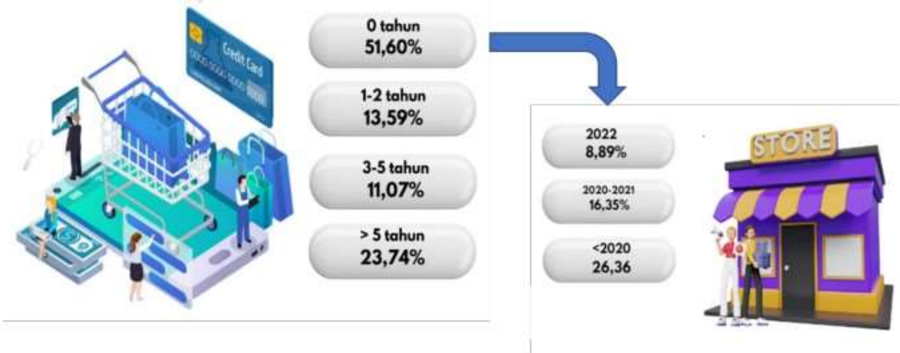
In 2023, it shows that the economic growth is increased from 3,7 % to 5,31 % (1,61%) since 2021. So that in another way, there is still hope that the economic growth will be increased. It seems that this traditional market could still have an opportunity, if it is take a look on the survey on 2023, which shown that sellers are still using the conventional method to sell their products (BPS Statistik eCommerce 2022/2023, 2022). The reasons are various as it shown below :

Picture 2. Reasons why sellers tend to run the offline stores

Source: https://www.bps.go.id/id/publication/2023/09/18/f3b02f2b6706e104ea9d5b74/statistik-ecommerce-2022-2023.html

1. The convenience of using offline store
2. Low interest of using online method
3. Lack of skills and educations
4. Another reasons

Meanwhile, not all the offline stores were easily converted or expand their business into online stores, because various of reasons. Both offline and online store are caught to paid the income tax, which is make it complex to run the business, where the sellers need to separate and pay on attention to both offline and online stores bookkeeping. In following, it takes years to taking care of online stores growth, about 3-5 years. So that it could be concluded, where offline store could still be a good option to the new sellers in this industry, especially the traders for traditional market which offers the fresh products for mostly raw materials of food. They can still compete, because of low prices, the freshness, a certain place where the places are understandable and reachable to go.



Picture 3. E-Commerce takes years to run the business

Source : https://www.bps.go.id/id/publication/2023/09/18/f3b02f2b6706e104ea9d5b74/statistik-ecommerce-2022-2023.html

Within in years, people might accelerate their skills and educations regarding to the 4th revolution of industry, so that this seems that online stores might take in a while to expand the business from offline stores. Furthermore, another opportunities of traditional market which implies the signature of traditions are such as (Nur'aeni et al., 2024) : 1) Bargaining prices; 2) The Price offered is quite affordable; 3) Traditional market part of a culture public interaction

In short, the existence of revolution industry 4.0 gives an example the phenomenon of modern market and retail market which is hit the traditional market up. Thus, we may able to seen the analysis of the revolution industry 4.0 influence socio-economic for society such as (Nur'aeni et al., 2024) : 1) The socio-cultural changes of the consumers; 2) Traders are anxious or nervous to face the technology and further challenge; 3) Traders feeling unsafe protection for their business; 4) Arise the social jealousy among traders.

F. The Protection of Traditional Market Regulation In Indonesia

Policy explanations inherently possess limitations and varying interpretations. As Noeng Muhadjir posits, policy should be regarded as a deliberate effort aimed at addressing societal challenges, ensuring the equitable implementation of justice, and promoting social welfare as fundamental principles of governance. The policies must fulfil four goals, such as : (1) Improving people's quality of life; (2) Realizing social justice through law, social justice, and opportunities for creativity and individual achievement; (3) Giving people the opportunity to participate actively in discussions, planning, decisions, and implementation; (4) Ensuring that progress continues to occur.

In Indonesia, the traditional market is protected under Indonesia prevailing regulation of :

a. Presidential Decree Number 112 year 2007 about Arrangement and Development of Traditional Markets, Shopping Centres and Modern Stores
b. Ministry of Trading Regulation Number : 53/M-DAG/PER/8/2012
c. Ministry of Home Affairs Number 20 year 2012 about Management and Empowerment of Traditional Markets
d. Ministry of Trading Regulation Number 20 year 2012 about Management and Empowerment of Traditional Market
e. Ministry of Trading Regulation Number : 70/M-DAG/PER/12/2013
f. Law Number 7 year 2014 about Trading.

While national-level regulations provide the foundation for traditional market protection, their implementation often depends on the strength and consistency of local government policies. Across Indonesia, several provincial and regional governments have launched distinct initiatives to revitalise traditional markets, with varying degrees of success.

For instance, in DKI Jakarta, Regional Regulation No. 2 of 2018 enforces zoning rules to limit competition from modern retail and mandates a minimum stall quota for small vendors. Through its regional enterprise, PD Pasar Jaya, the city has revitalised over 40 markets, improving infrastructure and sanitation. These efforts have increased foot traffic and vendor income, showing that clear policy mandates and strong institutional backing can enhance traditional market viability.

Another example is West Java’s “Pasar Juara” program which launched under Governor Regulation No. 69 of 2018, supports districts in modernising markets with digital payment systems and architectural preservation. While 37 markets were upgraded and digital adoption rose significantly, rising stall rents forced some vendors to relocate, indicating a need for rent controls alongside modernisation. These examples show that the success of traditional market depends heavily on how regional governments apply and adapt policies on the ground. Regional efforts and regulations play a crucial role in turning national goals into real, lasting impact.

Furthermore, the protection of traditional market goal is to synchronise the existence of modern market with the shortcomings of traditional market. The protection regulation will regulate the scheme of among modern and traditional markets, so that the initiation of modern market establishment must consider the existence of traditional market as it is regulated under Article 4 of Presidential Decree Number 112 year of 2007 :

1. Consider the economic growth and status around the area, it covers the existence of traditional market, and small enterprise business
2. Consider the market distance (market zone)
3. Provide the parking area which has a bare minimum (1 car for each 60m2 market area)
4. Provide the hygiene, healthy, safe environment for modern market

Refer to this regulation, the modern market tends to demand a higher and better set up standard compare to the traditional market, to protect the traditional market capability. Aside from that, the modern market operation hours also regulate, which compare to the traditional market, it does less flexible. As it seen, some traditional market even operates for 24 hours, with different trader in both shifts. This could another opportunity to recap that traditional market shall be given a choice to be more protected and enhanced.

IV. CONCLUSIONS

Based on this writing, that writer could conclude that traditional market has been a tradition, and an attractive place for tourism also. When the AEC established it faces several challenges which scare the traders that their local goods will be compete with another traders along ASEAN, this may take it difficult in certain period. Years after this phenomenon, the traditional market facing a serious problem where 4th revolution industry is invaded. Moreover, the Covid-19 global pandemic was hit the market again, which cause the market growth in danger if the trader are not aware about how important is having a new skill, ability, and sense to adapt the new occurrence. Aside from that the challenges that might be experience by the next generation to run the traditional market such as skills, educations to adapt the technology is needed, the double taxation for both offline and online store, aware of tax increase in each 2 or 3 years gradually. Besides, there are still some chances where traditional market might survive because of the freshness of product that offered to the buyers, the protection regulation which is still need to be enhanced, especially the strategic area that are given by the government, and no limitation of operation hours. However, the zoning regulations of all regions in Indonesia are not in the same page, where the government should have a certain standard in percentage or amount how many percentages or amount of maximum modern market should be established. In additions, Indonesia is a heterogeneous country, where the social, and economic backgrounds are various, if the regulation is given to consider the economic aimed, it might scare and gave the psychological attack to the local traders. The government should more consider about the business competition and strengthen the limitation of modern market to save the traditional market as the identity and part of tourism.

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