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# ANALYSIS OF THE ROLE OF TRADITIONAL MARKETS IN IMPROVING THE COMMUNITY'S ECONOMY FROM AN ISLAMIC ECONOMIC PERSPECTIVE IN SIPIONGOT VILLAGE, NORTH PADANG LAWAS

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#### Abstract:

This research aims to determine the role of traditional markets and the role of the community in improving the economy from an Islamic economic perspective in Sipiongot Village, North Padang Lawas. The method used in this research is a qualitative method with a descriptive approach. The samples used in this research were local government, traders and market visitors. This research uses interview, observation and documentation techniques. The results of the research show that the traditional market in Sipiongot village has the potential to improve the community's economy. The potential of the traditional market in Sipiongot village is firstly, the turnover or income of traders in the traditional market is an average of 400 million per week. Second, the circulation of money in the traditional market in Sipiongot village is approximately 1.6 billion per month

**Keywords:** Traditional Market, Increasing, Community Economy,, Islamic economics

## 1. Introduction

Economy is an important aspect that can support the progress of a nation. A great nation is a nation that is able to grow and advance the economic sector, both formal and informal, to pay attention to equal distribution of income for its citizens. Progress in the economic sector is also influenced by technological advances and rapid changes in the times. If you look at the history of human civilization, initially economic activities took the form of transactions between traders and buyers carried out by exchanging goods (barter), namely economic activities by carrying out transactions between goods and goods in order to meet daily needs.

There is also the creation of business opportunities in the market. Markets have become an inherent part of social life. Some people even depend on their daily work from the market. Therefore, the existence of markets is vital for society and the economy. In daily activities, the market can be interpreted as a meeting place for buyers and sellers. However, in the economic field, the market is not interpreted as a place, but rather prioritizes buying and selling activities. Not only that, the market also supports increasing regional revenue budgets. So the existence of markets in the community is very necessary, both traditional markets and modern markets.

Exchange of goods themselves began to be abandoned since the emergence of currency which was used as a measure of payment for both goods and services. Economic development is closely related to developments over time, marked by the emergence of the era of globalization which has penetrated the world of business and commerce, city plans have been built complete with supporting facilities and facilities to facilitate access in everyday life. The market is one of the economic facilities that is a benchmark for increasing economic income in the region, and if

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it is specific to the sub-district area, the market is the only place where economic transactions take place.

Traditional markets are a place to assess the economic level of the community in sub-district villages, and community welfare is the highest level of success for the government in carrying out its duties and functions as an apparatus that works for the people. In the construction and development of traditional markets in sub-district areas, the factor that is taken into consideration is measuring the population to determine the substance of the needs of the local community, so that the development of market facilities is in accordance with the needs of the population. The main objective of implementing traditional market development is to create community welfare, one of the efforts to achieve this is by developing traditional markets which are starting to become unfit for use because development is the beginning of empowering government and community facilities..

Sipiongot Village is one of the villages in Dolok District, North Padang Lawas Regency. The total population in Sipiongot Village, Dolok subdistrict, is approximately 24 thousand people. The majority of the population works as farmers/planters, such as areca nut, palm oil, rubber and cinnamon farmers and coconut.Before there was a traditional market in Sipiongot villagethis is societywhich is in Dolok sub-districthave no additional income. Now, afterexistsmarketsipiongotThis people can develop an entrepreneurial spirit and have additional income to fulfill people's daily needs.

The traditional market in Sipiongot Village is growing and more and more traders are coming, and there are more and more visitors from the local community and from neighboring hamlets. So community leaders took the initiative to build kiosks, loadsor tents for traders so they can sell comfortably. The traditional market in Sipiongot Village was founded in 1980 until now. The traders in the traditional market are not only from the local community but from 3 sub-districts, namely, Padang Balak, Halongonan and Dolok Sigompulon sub-districts who sell at the Tuesday market in Sipiongot village. The number of traders selling at this Tuesday market is 159 traders. This traditional market is in open from 07.00 am to 05.00 pm every Tuesday. Not only market traders feel the benefits of this traditional market but also the local community feels it. People who do not work or have insufficient income to meet their needs can be helped by traditional markets, like young people who don't work, they can work as parking attendants and porters. Likewise, local people also have the opportunity to open new businesses, or develop their skills by selling, such as selling cakes, opening food stalls, drinks and so on which are useful for meeting economic needs. Before the market existed, none of the people in Sipiongot Village worked as market traders, and only relied on income from farming/gardening, there were even people who were unemployed. With the existence of a traditional market in Sipiongot Village, several people are starting to try to increase their income. Other income obtained from this traditional market comes from renting stalls for traders and paying for motorbike parking for market visitors. BeBased on the description above, researchers are then interested in conducting a study on "Analysis of the Role of Traditional Markets in Improving the Community's EconomyIn Islamic Economics PerspectiveIn Sipiongot Village North Padang Lawas".

#### 2. Research Method

This type of research uses qualitative research. Qualitative research is research that provides an overview of a phenomenon or situation that occurs. The phenomena in qualitative research are holistic or comprehensive. So the data found cannot be separated. This research wants to look at

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the phenomena that occur in the field regarding the Analysis of the Role of Traditional Markets in Improving the Community's Economy from an Islamic Economic Perspective in Sipiongot Village, North Padang Lawas. The data source in this research is primary data obtained from direct observations at traditional markets and interviews with related parties such as the governmentarea, people and traders in North Padang Lawas Regency. The secondary data in this research was obtained from books, articles and documents related to the Analysis of the Role of Traditional Markets in Improving the Community's Economy According to an Islamic Economic Perspective in Sipiongot Village, North Padang Lawas.

The data analysis technique in this research uses three stages, namely data reduction, data exposure and drawing conclusions. Data reduction in this research is reducing or eliminating data that is not related to the research. After data reduction is carried out, the researcher's next step is toexplain the data obtained from observations, interviews with sources who in this case are government representatives, traders and consumers in the middle market as well as looking at documents related to the research. The final step taken by researchers is drawing conclusions from the research results and theories that have been used. The data validity technique used by researchers in this research is to test the degree of trust in the research. The technique used is a credibility test, namely the triangulation method. The triangulation method is checking the results of the interview again which is supported by observation.

#### 3. Results and Discussion

Market traditional Sipiongot village is one of the traditional markets in Dolok sub-districtNorth Padangwhich is relatively large. This traditional market was founded in 1980. This market is known by the public as the Sipiongot market, because the market is located in Sipiongot village, Dolok subdistrict, North Padang Lawas district. As the community's need for markets grows, this traditional market has experienced a significant increase, namely the increase in traders selling at the market. Various daily necessities and basic necessities are available at this traditional market, such as fish, rice, sugar, salt, chilies, fruit, vegetables and other necessities.

# a) The Role of Traditional Markets in Improving the Community Economy in Sipiongot Village North Padang Lawas

The traditional market of North Padang Lawas Sipiongot Village has a very important role in increasing traders' income. With the traditional market in Sipiongot Village, it can open up employment opportunities, especially for the local community, especially as being a trader does not require special skills, you don't even have to have a high education. The entire community in Sipiongot village, Dolok subdistrict, has a population of 24 thousand people. This Tuesday market is located in the large village of Sipiongotland120 Ha which is dominated by residential areas so it is very suitable to set up a market in this area.

The community's considerable economic growth has contributed to the growth and development of entrepreneurship. The residents of Sipiongot village only relied on agricultural products before the establishment of the traditional market. The community can now foster an entrepreneurial spirit and earn extra money to support the community's daily needs after the Sipiongot village traditional market operates. Based on the results of interviews with market heads, the turnover income of the people who trade at the Sipiongot village traditional market every week is approximately 400 million from the 159 traders operating in this market. The total amount of money turnover every month is around 1.6 billion. The following graphic image below contains data obtained from interviews from the traditional market in Sipiongot village, namely:

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The Sipiongot Village traditional market has played a role in improving the community's economy, including:

- 1) The Sipiongot Village traditional market plays a role as a place to promote goods for sale. This can be seen by the presence of sellers of cooking spices which are made by the traders themselves.
- 2) The traditional market in Sipiongot village is a place for improvementCommunity business development can be seen from the very enthusiastic involvement of market managers, namely providing stalls for selling.
- 3) Not everyone in the neighborhood participates in the market, some work as porters and use the property as a parking lot, showing the importance of the market in boosting the local economy.
- 4) Role pThe traditional market of Sipiongot Village also absorbs workers, both people who still don't have jobs or people who want to earn additional income by selling at this market.

Based on observations, several indicators can have a positive influence or impact before the respondent works or after working as a trader at the traditional market in Sipiongot Village. Overall, there are several roles that have a positive impact, these can be explained as follows:

#### 1. Opening Job Opportunities

The number of livelihoods of people who work as traders is as much as 159 people, with amountbuyersebmany2thousandperson, then as much 159 tMany traders depend on the traditional market in Sipiongot village for their living. Many local people use the market as their livelihood because education is still relatively low and does not allow them to be accepted or work in other places that require special skills, so the existence of the traditional market in Sipiongot village can be an alternative to this problem by utilizing the existence of the market as a source of income. his livelihood. Based on the results of interviews withmerchantsSipiongot village traditional market Buk T said "incidentally before this market existed I didn't work and only relied on income from farmers, after this traditional market existed, I tried selling broiler chickens and fish to meet my family's needs and thank God the daily turnover can improve my family's economy, I was really helped by this market. Profits are usually around 8 million per month. Then Mr. U, as a buyer at the Sipiongot market, said "With the market, workers don't need special skills, the important thing

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is to be able to communicate to sell and there are no special conditions required when working at the market" (interview with informant, 11 July 2023).

## 2. Improving Trader Welfare

Welfare shows that someone is in a good condition, where the human condition is in a state of prosperity, health and peace. Welfare can also be interpreted as a condition where each individual is able to maximize his utility at a certain budget limit level. The role of the market in improving the welfare of traders can be concluded in general that the role of the traditional market in Sipiongot village is able to increase traders' income and become the basis for improving the welfare of traders in terms of providing education, health and housing or residential areas for traders. With the existence of the market as a place for buying and selling, traders can increase their income by selling at the Sipiongot Village Traditional market. However, the income earned by traders at the Sipiongot Village Market certainly varies.

The Sipiongot Village traditional market plays a role as a place to produce goods for sale. The market is used as a place to sell products made by the local community so that it can increase income for the community and reduce unemployment. The Sipiongot Village Traditional Market also has an important role in improving the economy of traders, which can be seen in the very enthusiastic involvement of the local and external community, as well as absorbing labor from people who do not have jobs and earning additional income, becoming a place where local people carry out buying and selling activities., as well as being a place to promote goods for sale. This is in accordance with the function of the market, namely a place where sellers and buyers meet,

Based on the results of observations and interviews on welfare indicators, it can be concluded in general that the income obtained from selling at Traditional Markets can fulfill basic secondary and tertiary needs. In this case the role of the Traditional Market as a place livelihood, proving that the Traditional Market is a provider of employment opportunities that is able to reduce unemployment and improve the community's economy, especially local communities who have local products and agricultural products that they sell at the Traditional Market. By working at the Traditional Market, people around the market are helped, they can look for jobs close to home, which have local products or agricultural products that they can sell directly to the Traditional Market, so that apart from reducing expenses if they have to work far from home, they also have time which is more effective.

# b) RoleSociety in Improving the Economy In the village SipiongotPadangOld North

The community has a very important role in improving the community economy in Sipiongot Village, Dolok District, North Padang Lawas Regency. Through the Traditional Market which is a shopping place for people to shop and do tourism. These roles include: The role of the community as a companion, namely the community participates in the development of traditional markets. What the community can do is to actively participate in introducing traditional markets either through social media or other means. The role of the community as supervisors and beneficiaries. The community is expected to participate in helping monitor traditional markets by maintaining the buildings-existing buildings and does not damage public facilities there. Not only that, people are also expected to maintain the cleanliness and safety of the environment there so as to create safety and comfort when shopping. It is hoped that the role of the community can introduce traditional markets not only with promotional media but also by creating a sense of security and comfort for anyone who shops at traditional markets so that the economy of the people, especially traders in traditional markets, will improve.

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Based on observations and interviews in the field with traders and the community (buyers), researchers have obtained information that the traditional market in Sipiongot village plays a big role in improving the economy.PThe traditional market of Sipiongot village is a market that has the potential to move in an economic direction, where the community takes an active role in the development and progress of the market. Therefore, careful analysis is needed to strengthen the economy of the community around this market, so that we don't make the wrong move. The ultimate goal of economic development is community independence. This market is really needed by the community, especially the lower middle class and traders who depend on their products for their livelihood.

This was stated by several residents of Sipiongot village who were the subjects of the research, including one of the buk traders, M, who stated that he had been selling here for almost 10 years and during his time selling here, improvements had only been made at this market once, but he felt that the improvements had been quite optimal. He also said that Indeed, the government wants to fix the market, the traders are just asking that the emergency tents in the parking area be moved inside because there are still a lot of them.odswhich is empty, So the parking space is also not narrow because now many traders inside are complaining about the emergency tents at the front, even though it used to be a parking lot, the income of traders inside has decreased. The same thing was also expressed bythumpA traderfruitwho also sells at the Sipiongot Village Traditional Market, stated that he has been trading at this market for eight years. The first capital was around 200 which was obtained from borrowing from relatives because I really started from scratch and since I started selling at the Sipiongot village traditional market it has really helped me. from an economic perspective. Initially I was just a housewife, now I can develop my entrepreneurial spirit by trading. The profit I get is approximately 800 every week. PaThis market is the only place for him to carry out trading activities, so you could say this market is very important because it is a source of income to meet his family's needs because this is the only place he earns a living (interview with informant 11 July 2023).

From the results of the interview above, it can be concluded that the traditional market in Sipiongot Village really determines the welfare of the community, especially traders in Sipiongot Village because most of them depend on their livelihood solely from trading at this traditional market. The function of traditional markets influences traders' income levels, based onninformation obtained from the head of the market who said that, the market is an economic object, so it is very helpful. Apart from that, the community is also helped by the existence of the market so they can sell on the market and exchange money with it. buying and selling transactions means that there is an improvement in the economic system around this market, not only in terms of economic development but also opening up employment opportunities for the community.

# c) Implementation of Sharia Principles in the Economic Behavior of Traditional Market Traders in Sipiongot Village, North Padang Lawas

- 1) Halal products Merchandise is an important instrument in trading activities, goods on the market are instruments used to meet people's needs. From the results of observations of the types of products available at the Sipiongot Traditional Tuesday Market, research can conclude that the goods sold by traders in the market are goods that are permissible according to Islamic law.
- 2) Cleanliness Islam teaches cleanliness in all aspects of life, including trade, good merchandise is merchandise that is halal and good (clean and healthy). Halal food includes how to obtain it and its ingredients. Good food is not necessarily halal, but halal food is definitely good. Islam teaches to always keep the environment clean. Rasulullah

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SAW through various hadiths taught Muslims to be pioneers in maintaining cleanliness. Both body, clothing and environmental cleanliness. The following is the content of the hadiths of Rasulullah SAW: Meaning: "Related from Abi Malik al-Asy'ari, he said, Rasulullah SAW said cleanliness is part of faith and reading hamdalah can fulfill the mizan (timbagan), and reading subhanallahi walhamdulillah fills under the heavens, the earth and prayer are light and sadaqah is a lamp and patience is a light, and the Koran is a guide for you." (HR. Muslim).

3) Weighing equipment Weighing equipment is a supporting instrument in buying and selling transactions. These tools have an important role in knowing the number, weight and size of goods being bought and sold. Traders should really pay attention so as not to harm traders or buyers. Sipiongot Traditional Tuesday Market traders, kNorth Padang Lawas Regency, apply honesty in weighing, measuring and calculating. I noticed that these traders did it transparently to buyers so that buyers could see this directly so that customers would believe it.

In general, Islam has regulated all aspects of human life, down to economic issues, especially buying and selling, of course in order to provide benefits so that there are no losses or bad impacts from transactions carried out. In fiqh,jBuying and selling is the exchange of property (whatever its form) which is halal and good, not haram, both in origin and in its course, like and like (willingly), the goods being bought and sold do not belong to someone else, there is no gharar (obscurity) and explaining if there is a record of the goods. From the results of the interview, Buk C as a buyer stated that the traditional market in Sipiongot village is in accordance with the Islamic economic perspective, Traders and market managers also stated that all types of food sold were halal and clean, and the prices given were not too expensive and the profits taken did not exceed the limits of Islamic economics (interview with informant 11 July 2023)

#### 4. Conclusion

Traditional market in Sipiongot village, North Padang Lawas districthas the potential to improve the community's economy, as for the potential of the traditional market in Sipiongot village, namely first, turnover income or traders in the traditional market is 400 million per week. Second, the circulation of money in the traditional market in Sipiongot village is 1.6 billion per month. Third, strategic time and location. Traditional markets can fulfill basic needs, secondary needs and tertiary needs. In this case the role of the Traditional Market as a place livelihood, proving that the Traditional Market is a provider of employment opportunities that is able to reduce unemployment and improve the community's economy, especially local communities who have local products and agricultural products that they sell at the Traditional Market. The traditional market in Sipiongot Village really determines the welfare of the community, especially traders in Sipiongot Village, because most of them depend on their livelihood solely from trading in this traditional market. Sipiongot village traditional market, is in accordance with the Islamic economic perspective, this can be seen from observations of traders and traditional market managers in Sipiongot village. The market and traders also stated that all types of food sold were halal and clean, and the prices given were not too expensive and the profits taken did not exceed the limits of Islamic economics

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