

## THE ROLE OF VILLAGE GOVERNMENT IN MANAGING VILLAGE MARKETS (CASE STUDY OF KUALA SEMUNDAM MARKET, KUALA SEMUNDAM VILLAGE, BANDAR PETALANGAN DISTRICT, PELALAWAN REGENCY

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### ABSTRACT

*This study aims to analyze the role of the village government in the management of Kuala Semundam Market. The research method used is a qualitative descriptive approach, with data collection through in-depth interviews, participant observation, and documentation. The data were analyzed inductively using source and technique triangulation. The results indicate that the village government's role as a pioneer, innovator, and stabilizer in market management is not yet optimal, particularly in the poorly organized arrangement of vendors' trading areas and the inadequate market support facilities. The study concludes that village market management needs to be improved by better organizing vendors and developing more adequate market facilities to support community economic activities.*

**Keywords:** Village Government, Market Management, Traditional Market, Village Role

### INTRODUCTION

Village markets are crucial centers of economic and social activity for local communities. Village market management serves not only as a venue for economic transactions but also as a social space reflecting the culture and lifestyle of the local community (Sari et al., 2023). In this context, the village government plays a strategic role as the primary manager responsible for managing village assets, including traditional markets (Yuliana & Putra, 2024). According to the Regulation of the Minister of Home Affairs of the Republic of Indonesia, traditional market management must ensure the provision of appropriate and well-organized sales areas to increase the market's competitiveness (Ministry of Home Affairs, 2023).

The role of village governments in this regard is further strengthened by Law Number 6 of 2014 concerning Villages, which grants greater authority and responsibility to village governments to independently manage village potential and assets (Republic of Indonesia, 2014). Through this law, villages can establish village-owned enterprises (BUMDes) as management bodies to assist village governments in managing markets and other economic potential (Hidayat & Suryani, 2025). Kuala Semundam Market, located in Kuala Semundam Village, Bandar Petalangan District, Pelalawan Regency, is a traditional market with a strategic location and plays a vital role in the local economy (Saputra & Hakim, 2025). The market covers an area of approximately 18,000 m<sup>2</sup> and consists of 56 market buildings, 6 kiosks, and 43 vacant stalls rented to approximately 85 vendors. Market activity occurs primarily on Wednesdays, and it serves as a central transaction center for local products essential to the needs of the village and surrounding communities (Andriani et al., 2024).

However, field observations revealed various challenges in the market's management. Key issues include the lack of adequate supporting facilities, such as a suitable place of worship, well-maintained public restrooms, and aging and uncomfortable kiosk infrastructure. Furthermore, suboptimal waste management has

resulted in an unclean market environment, leading to complaints from local residents (Kurniawan et al., 2025). Unorganized parking also causes traffic disruptions around the market area (Rachman & Syafitri, 2024). Effective village market management requires village government capacity in terms of financial resources and administration, as well as community participation and local organizations such as the Karang Taruna (Taruna Youth Organization), which has been responsible for managing the market in Kuala Semundam (Fauzi & Mardiana, 2023). Decentralization implemented in Indonesia has transferred some market management authority from the central government to village governments, so the quality of market services and management is highly dependent on village capacity and competence (Sutrisno, 2025; Wibowo & Arifin, 2024).

This study aims to analyze the role of the village government in managing Kuala Semundam Market, particularly in addressing existing management challenges and developing strategies for this traditional market to provide optimal socio-economic benefits for the village community. This study is expected to provide applicable recommendations for improving village market governance by increasing village institutional capacity and utilizing local resources.

## **LITERATUR RIVIEW**

Local markets function not only as physical trading spaces but also as nodes of local economic activity, employment, and supply-chain linkages for producers and micro-enterprises. Well managed markets can stimulate local income generation, reduce transaction costs, and support small traders and farmers (Porter, 1990; Blakely & Leigh, 2010). From a development perspective, village markets contribute to inclusive local growth if they are accessible, safe, and integrated with broader local economic strategies. Consequently, village governments that actively manage market infrastructure and rule-making can influence local economic vitality. The management of village markets involves regulatory decisions (stall allocation, hygiene standards, fees), resource allocation, and dispute resolution. Governance theories emphasize that legitimacy and accountability are crucial: when local authorities engage transparently and inclusively, they are more likely to obtain acceptance from market users and maintain social order (Suchman, 1995). Institutional theory also suggests that village governments' practices will be shaped by normative pressures (community expectations), regulatory pressures (district/county rules), and mimetic pressures (copying successful market models). Therefore, institutional context and legitimacy influence both how markets are governed and the outcomes of that governance.

Community participation and social capital are frequently shown to improve the management of common resources and local services. Ostrom's work on polycentric governance demonstrates that local users participating in rule-making and monitoring often achieve better outcomes for common-pool resources and public goods (Ostrom, 1990). Applied to markets, participatory management (e.g., vendor committees, cooperative arrangements) can enhance compliance with hygiene rules, reduce conflict, and increase users' sense of ownership. Putnam's insights on social capital further support the idea that dense networks of trust and reciprocity facilitate collaboration between village governments and market stakeholders (Putnam, 1993). Markets in many rural and peri-urban settings host a mix of formal and informal economic actors. The informal sector supplies livelihoods for many households but poses regulatory challenges (e.g., sanitation, taxation, tenure). De Soto's work highlights that lack of

formalization and property rights can impede economic upgrading unless governments create enabling institutional arrangements (de Soto, 2000). For village governments, balancing informal livelihoods with public health and orderly management is a recurring governance trade-off.

Scholars and practitioners have noted that partnerships—between local government, private sector service providers, and community groups—can mobilize finance, technical capacity, and managerial skills for market improvement (Hodge & Greve, 2007). Co-management arrangements (vendor associations working with the village administration) often combine public authority with local knowledge and user contributions, yielding more sustainable market operations. However, success depends on clear roles, accountability mechanisms, and equitable benefit sharing.

Effective market management requires systems for monitoring performance (occupancy rates, hygiene incidents, revenues, user satisfaction). Green and sustainability literatures underscore the need to include environmental and social indicators (waste management, water use, inclusive access) alongside fiscal measures to ensure markets promote sustainable livelihoods (Bebbington & Unerman, 2018). Village governments that adopt routine monitoring and transparent reporting are better placed to justify investments, access finance, and demonstrate development impacts.

Synthesizing the above strands, the literature suggests several testable propositions for a case study of Kuala Semundam Market: (a) the legal and fiscal empowerment of the village government will affect its capacity to manage the market (Rondinelli et al., 1983; Republic of Indonesia, 2014); (b) participatory governance and strong social capital among traders and residents will correlate with better market outcomes (Ostrom, 1990; Putnam, 1993); (c) co-management or PPP models can improve facilities and services if accountability is secured (Hodge & Greve, 2007); and (d) integrating non-financial indicators (hygiene, inclusiveness) into performance monitoring will align market management with SDGs and sustainable development goals at the local level (Bebbington & Unerman, 2018). These propositions provide a conceptual framework for examining how the village government's policies, practices, and partnerships shape market performance in Kuala Semundam.

## **RESEARCH METHODS**

Penelitian ini menggunakan pendekatan deskriptif kualitatif untuk menggambarkan dan menganalisis peran pemerintah desa dalam pengelolaan Pasar Kuala Semundam. Pendekatan kualitatif dipilih karena memungkinkan peneliti memahami secara mendalam fakta, realitas, kegiatan, keterlibatan manusia, perilaku, serta berbagai persepsi dan sudut pandang yang muncul di lapangan. Menurut Sugiyono (2019), penelitian kualitatif adalah metode yang meneliti objek dalam keadaan alami, di mana peneliti berperan sebagai instrumen utama dalam pengumpulan data, dengan teknik pengumpulan data yang menggunakan triangulasi untuk meningkatkan validitas temuan. Analisis data dilakukan secara induktif, menekankan pada makna dan konteks daripada generalisasi hasil.

Informan utama dalam penelitian ini adalah Kepala Desa Kuala Semundam, sementara informan pendukung meliputi Kepala Badan Usaha Milik Desa (BUMDes), pengelola pasar, anggota Badan Permusyawaratan Desa (BPD), serta para pedagang yang aktif berjualan di pasar tersebut. Pengambilan informan dilakukan secara purposive, yaitu memilih pihak-pihak yang memiliki pengetahuan dan pengalaman

langsung terkait pengelolaan pasar desa. Data dikumpulkan melalui wawancara mendalam, observasi partisipatif, serta dokumentasi berupa dokumen resmi dan laporan terkait pengelolaan pasar. Untuk menjaga validitas data, peneliti menerapkan triangulasi sumber dan teknik, dengan membandingkan data dari berbagai informan dan metode pengumpulan. Analisis data dilakukan dengan tahapan reduksi data, penyajian data, dan penarikan kesimpulan yang kemudian diverifikasi, sesuai dengan model analisis yang dikemukakan oleh Miles, Huberman, dan Saldana (2020). Dengan pendekatan ini, penelitian diharapkan mampu memberikan gambaran komprehensif mengenai pengelolaan pasar desa, kendala yang dihadapi, serta strategi pengembangan yang dijalankan oleh pemerintah desa.

## **RESULTS AND DISCUSSION**

According to Faris Siregar (in Masduki 2021:13-14), a role is a dynamic aspect of a person's position. This means that a role is the exercise of rights and obligations in accordance with a position or position. There are three important aspects to a role: 1. A role encompasses norms related to a person's position in society. 2. A role is a concept that explains what individuals do within society as an organization. 3. A role also encompasses individual behaviors that are important to the structure. According to Siagian (2018), the Village Head has four roles:

1. **Stabilizer:** This role refers to the village head's responsibility in creating and maintaining balance, order, and harmony within the village community.
2. **Innovator:** The village head plays a crucial role as an innovator in village development. As a local leader, the village head is required to create and implement new ideas that can improve the community's quality of life.
3. **Pioneer:** The village head plays a crucial role as a pioneer in village development and change. As a local leader, the village head is responsible for leading initiatives that can bring progress and innovation to the community.
4. **Modernizer:** The village head plays the role of a modernizer in the context of village development, especially in an era increasingly filled with technological advancements and social change.

According to Damsar (2021) Role can be said to be like art because it is a person's ability and skill to realize the creativity, feeling and intention he has which is related to his duties and functions in carrying out his role as an artist. According to Muhammad (2021:92), the Village Government has carried out three main roles, including: 1. Intermediary structure, namely being an intermediary between the Village community and the Supradesa Government (central, provincial, district, village, sub-district). 2. Public service, namely providing services in the form of public goods or services that are regulated based on the original rights of the Village concerned or in the form of tasks given by the government above it. 3. Agent of change, namely being a pioneer of change and progress for the Village and the community, either through its own initiative or based on tasks given by the government above it.

According to Nata (2024), a village is a manifestation or geographical, social, economic, political, and cultural entity found in a region, in its reciprocal relationship and influence with other regions. According to R. Bintarto (in Irmayani 2021), a village is a manifestation or geographical, social, economic, political, and cultural entity found in a region, in its reciprocal relationship and influence with other regions. Nugroho (2009) states that management is a term used in management science. Etymologically, the term "management" comes from the word "manage" (to manage) and usually refers

to the process of managing or handling something to achieve a specific goal. Therefore, management is a management science related to the process of managing and handling something to achieve a specific goal. The researcher's analysis is based on the following indicators:

- 1) StabilizerIt  
is known that the Village Government has delegated its management to the Youth Organization (Karang Taruna) and the Youth of Kuala Semundam Village through a mandate given by the village head through the Village Secretary. All activities at the Kuala Semundam Village Market are the sole responsibility of the Youth Organization (Karang Taruna) and the Youth of Kuala Semundam Village, so the village government is not directly involved in the technical aspects of the village market. Based on the explanation above, it can be concluded that the village government has assigned the management and administration of the Kuala Semundam Village Market to the Youth Organization (Karang Taruna) and the Youth of Kuala Semundam Village, as the parties entrusted with the responsibility for its management. This ensures that the village market has clear management. This clear management provides the Village Government with opportunities to generate revenue from businesses involved in the village market.
- 2) Innovator  
it is known that the government's infrastructure provision still faces shortcomings, such as inadequate lighting at night and the need for improved public restroom cleanliness to ensure visitors feel safer and more comfortable, especially since the market operates from afternoon to evening. Based on the explanation above, it can be concluded that the construction of the Kuala Semundam village market has had a significant impact on the community's economic activity. The market appears quite busy with visitors, especially in the afternoon and evening, according to the established operating hours. Most vendors have occupied the available stalls, although some stalls, constructed from wood and not yet permanently installed, are still operating. On the other hand, public facilities, such as a public restroom, are limited and poorly maintained. Lighting in several areas of the market is also minimal, reducing visitor comfort at night. Despite this, the community, particularly the youth and the youth organization, is highly motivated to maintain cleanliness and organize market activities.
- 3) Pioneer  
It is known that the village market has been able to open up new economic sources for the community in Kuala Semundam Village. The existence of the village market has opened up new economic opportunities for the community and also provided opportunities for people to earn additional income as traders, parking attendants, and other service providers.
  - a. Based on the explanation above, it can be concluded that the Village Government, in managing the Village Market in Kuala Semundam Village, Bandar Petalangan District, Pelalawan Regency, has played a role in improving the village's economy and improving its welfare.

## **CONCLUSION**

Based on the results of the research analysis, it is known that the Role of Village Government in Managing Village Markets (Case Study of Kuala Semundam Market, Kuala Semundam Village, Bandar Petalangan District, Pelalawan Regency) seen from the pioneer, innovator, and stabilizer indicators, it can be seen that the Village Government in managing Kuala Semundam Market has not been maximized, where the arrangement of traders has not been placed in its place thoroughly so that many traders sell outside the market that has been determined. This is also due to the lack of places provided for traders, especially the placement of street vendors has not been organized so that selling activities are still not in the designated place so that there are still traders selling at the entrance to the market so that it disrupts market activities, improvements have not been made evenly in the progress of the market related to market development activities starting from adding trader places, providing permanent parking locations, garbage collection places on each market road so that the market does not appear to have changed significantly from the previous year.

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