
**An Analysis of Sellers' Social Capital
at Kota Teluk Kuantan Traditional Market
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ABSTRACT

The present study was aimed at: (1) finding out and understanding the forms of social capital presenting among sellers at Kota Teluk Kuantan Traditional Market; (2) Analyzing the social capital within the interaction and transaction process among the sellers at Kota Teluk Kuantan Traditional Market. The present study was conducted at Kota Teluk Kuantan traditional market, Kuantan Singingi Regency, Riau. To this end, descriptive qualitative method was applied. This study revealed that: (1) Social capital established in Kota Teluk Kuantan traditional market comprised networks, social norms, trust from each market actors, (2) the trading culture makes the sellers adjust themselves to the relationship and social interactions that occur in the market. (3) The presence of social capital in the market reflects a significant role in promoting the sustainability of the traditional market in the midst of the continuous development of social and economic life in Teluk Kuantan.

Keywords : *Social Capital, Traditional Market, Teluk Kuantan*

INTRODUCTION

Presidential Regulation Number 112 of 2007 concerning the Structuring and Guidance of the Traditional Market, Shopping Center and Modern Shop defines traditional Market as the market developed and managed by the Government, Local Government, Private Sector, State Owned Company and Regional Owned Company, including the cooperation with the private sector with the business location in form of Shops, Kiosks, Stalls and Tents that are owned/managed by small or medium scale traders, community self support or cooperatives with small scale business, small capital and with the buying and selling process of traded goods through bargaining. Traditional market serves as the primary means for selling necessities produced by medium- and micro-scale economic actors. Actors in traditional market involves farmer, fisher, and home industries, among other actors.

Following "Pasar Berseri" concept issued by Ministry of Environment in 2007, a market holds a pivotal function. For customers, the market facilitates them to find necessities. Meanwhile, for the producers, it facilitates them to distribute their products. Market, in general, has three primary functions: (1) as a means of distribution. In this regard, the market plays a crucial role in the effort of smoothing out the transfer of products from producers to consumers. A market is considered functioning well when the product distribution from producers to customers run well. Otherwise, the market is deemed not well-functioning if the distribution activities are often stuck. (2) As a price maker. A market is a place where agreements between sellers and buyers about the value of a product. The sellers consider the profit from

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selling products, while the buyers have considered the benefit of the products or services as well as their financial conditions. (3) As a means of promotion. The market serves as a place to introduce and inform a product or service, its benefit, advantage, and uniqueness toward customers. The market's role is not limited to merely economic activities. As a place where communities meet each other personally, it also involves social activities. As a place for the community to meet, interactions grow among them, the interaction may be related directly to the transaction or social life of the community.

Considering the importance of the traditional market, the government's action in empowering people-based economy, revamping the traditional market in this case, plays important role in the development of a region. Only the regions who are able to revamp their market will stay exist and again huge economic profit. A live, dynamic market triggers the birth of businesses in real sectors. Kuantan Singingi Regency of Riau province currently has forty-six traditional markets, which is spread in 12 districts. Kota Teluk Kuantan traditional market is the primary market and trading center in Kuantan Singingi region. Besides having the largest number of sellers, this market holds the largest economic transaction value and commodity. The diverse commodity can be seen from the types and forms of goods sold in this market, as the following table shows:

Table 1.

Category of Regular Sellers (daily sellers) at Kota Teluk Kuantan Traditional Market					
No	Types of product	Number of sellers	No	Types of product	Number of sellers
1	Vegetables	83 sellers	9	Spices and seasoning, charcoal	28 sellers
2	Fish, Chicken meat and Beef	49 sellers	10	Sembako	22 sellers
3	Farming tools	4 sellers	11	Accessories	23 sellers
4	Culinary (cakes and herbs)	40 sellers	12	Tofu and Tempe	9 sellers
5	Fragile and plastic goods	10 sellers	13	Egg, flour etc.	6 sellers
6	Chili and vegetable sellers in Kiosks	79 sellers	14	Cassette and VCD	1 sellers
7	Coconut Milk	10 sellers	15	Barbershop	1 seller
8	Fruits	4 sellers	16	Toys	2 sellers

Source: Trading division, Department of Cooperative and Industries of Kuantan Singingi, 2020.

Kota Teluk Kuantan traditional market is able to draw sellers' interest from other provinces, such as West Sumatera, to sell their products in this market, especially on Wednesday and Sunday. Kota Teluk Kuantan Traditional Market is managed by the Department of Cooperative, SMEs Trading, and Industries of Kuantan Singingi. This market has transformed into a center of informal economic sectors that provide the community with plenty of business opportunities.

The presence of Kota Teluk Kuantan traditional market is not only viewed as an economic institution that functions to provide transaction dynamics between seller and buyer but also functions as a social space. In its development, many actors in the traditional market establish both small and big coalitions with their own purposes, resulting in both positive and negative effects which are important to observe using social perspective. The coalitions and collectivity among the sellers emerge naturally since most of them have spent years as sellers in this traditional market. In other words, they possess stability and ability to develop and maintain social relationships, which eventually establishes a collectivity that also affects their business. In addition, there is a complexity of relationship among the market actors, either between producer and sellers, among sellers, or between sellers and buyers that, based on the present study, establish a particular structure and interaction pattern.

Kota Teluk Kuantan provides interaction space, relationship, or personality between the seller and buyer, between the sellers, or between the buyers, and such a relationship is associated

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with the concept of social capital. Social capital in Kota Teluk Kuantan plays important role in maintaining the market's existence, A social bond emerges among the market actors, and such a bond is manifested by social capital among the sellers, or between the sellers and buyers. Grounded from the social relationships in Kota Teluk Kuantan, which is embodied through social capital, the present study aims to a basic question: What are the forms of social capital that emerge in the interaction and transaction process in Kota Teluk Kuantan?

METHODS

We applied a descriptive qualitative approach. The data were collected through in-depth interviews. Besides, we also performed observations to collect the data. An in-depth interview was conducted to probe collective activities the sellers and market actors did in responding to various forms of interaction that emerge in trading activities in this traditional market. The interview was also done to explore how collective actions can emerge in the middle of the community, in this case, among sellers in the traditional market. In-depth interview was conducted with 37 informants. They were daily sellers in Kota Teluk Kuantan. They represented ten percent of total daily sellers in Kota Teluk Kuantan. Observation was conducted to see the social situation and forms of social capital that emerges among them. The present study was conducted in Kota Teluk Kuantan traditional market from April 2020 to June 2020. The site of the study was determined purposively given that Kota Teluk Kuantan is the largest and the main traditional market with the biggest number of sellers in Kuantan Singingi Regency. Descriptive analysis was applied in order to analyze and find out the form and problems of social capital. Descriptive analysis refers to a method that depicts a complex, sensitive, or controversial issue. Descriptive study employs direct field observation in order to identify the problem.

RESULTS AND DISCUSSION

Social capital here is manifested in the relationship among the sellers or between sellers and buyers. This relationship acts as the key factor of economic activity in the traditional market. Social Capital here holds three elements, namely, belief, network, and value and norms. According to Woolcock (2002), social capital is defined as a norm and network that allows people to act collectively. Meanwhile, Fukuyama (2001) defines it as informal norms in which individuals cooperate. Following this concept, grounded from the fact shown in Kota Teluk Kuantan traditional market, social capital emerges among the sellers or between the sellers and buyers. This social capital supports the existence of this traditional market. Siisiainen (2000), argues that social capital consists of three elements: (1) Moral and norm obligation, (2) social value (especially trust), and (3) social network (association, especially volunteer).

Social capital that emerges in Kota Teluk Kuantan traditional market establishes a network among the sellers and buyers. Interactional act, socialization, and communication done by the sellers also deliver values and norms. The emergence of cultural values out of the interactions among the sellers is prominent in the form of gotong royong, greeting, and care between one another. This finding is consistent with Jati (2012) who stated that social capital that is built from economic climate in the traditional market is cooperation and trust, cooperation in the Indonesian traditional market put a piece of evidence that economic transaction activities do not necessarily focus on economic profitability but also build a relationship and sense of brotherhood and family.

This relationship was seen when there was a buyer who wanted to buy seasoning that was not available in Kiosk A and the kiosk owner then suggested the buyer go to Kiosk B. This

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anecdotal evidence showed that sellers did not only care about their own products but also about other sellers' goods. This event implied a strong social relationship between them, where they did not merely focus on profitability but also on care about others. The forms of social capital found in the interaction and transaction process among the sellers at Kota Teluk Kuantan traditional market are described in the following section.

According to Torsvik (as cited in Damsar, 2011), trust refers to a behavioral tendency that can minimize potential risks of one's action. Trust is not associated with risk but with a range of possibilities. It connotes belief in the middle of uncertainty, either related to an individual's act or systems. According to Coleman (2009), credibility is important to form social capital. In Kota Teluk Kuantan Traditional Market, the trust serves as an important element of interactions with either sellers or buyers. However, trust relies on each individual's self. Likewise, not all sellers joined the seller group or association or cooperatives because some of them did not trust in others related to payment or premium within such organization. Hence, there are so-called positive and negative trusts.

The positive trust, particularly in Kota Teluk Kuantan traditional market, refers to trust among individuals due to a number of factors, but the most determining factors is the proximity among them, where the sellers trust in buyers and vice versa. Positive trust is shown by the relationship among the sellers or buyers. For instance, when a buyer goes to one kiosk, he or she trust the quality and the price of goods bought, while the sellers believe that buyers give them profits.

The negative trust involves the inter-individual relationship that leads to either trust or distrust. In the traditional market, intensive communication or close relationship established from economic activities can also result in either positive or negative trust. Negative trust refers to distrust in the inter-individual relationship, for instance, when sellers do not trust in buyers or vice versa. In Kota Teluk Kuantan traditional market, negative trust is shown by sellers' distrust in the membership premium system of IKPPL (Seller Association), which makes them refuse to join the association. It is also seen from sellers who refused arrearage because they had been harmed by the arrearage system in the past. Although the seller personally knows the buyer, he or she refused to allow arrears unless to buyers with a very close relationship. The following is an outline of trust established between sellers and buyers:

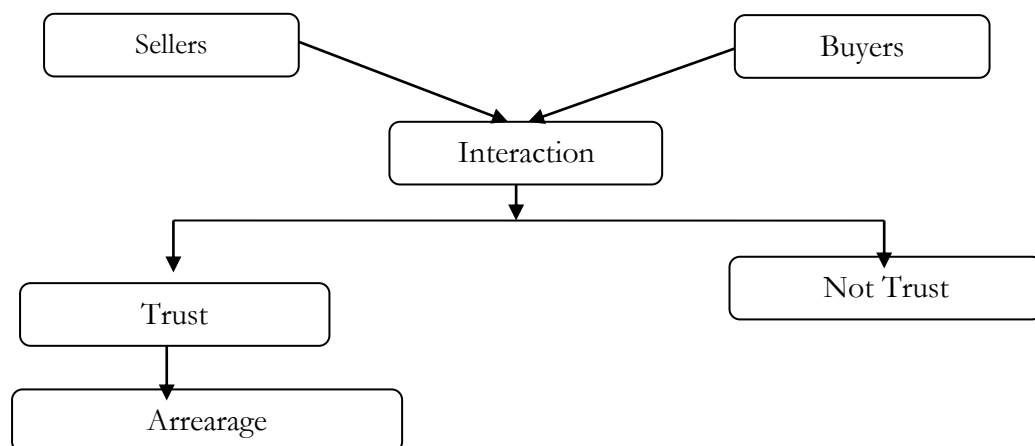


Figure 1.

Outline of trust between sellers and buyers in Kota teluk kuantan traditional market

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As shown in the figure above, interactions occur between sellers and buyers. Based on repeated interactions, the sellers will know the buyers better through communications they engage in. Based on the interactions, the sellers have the right to determine whether or not they trust the buyers. If they trust them, they will allow arrearage if the buyers could not pay in cash. Otherwise, if they did not trust the buyers, they will not allow the buyers to arrear. Meanwhile, the buyers' trust in the seller is a trust in sellers' goods quality and price. However, the fact showed that the trust between sellers and buyers was low in Kota Teluk Kuantan traditional market. Most sellers do not allow buyers to pay in arrear unless they are close friends or families. The following is an outline of trust established among sellers:

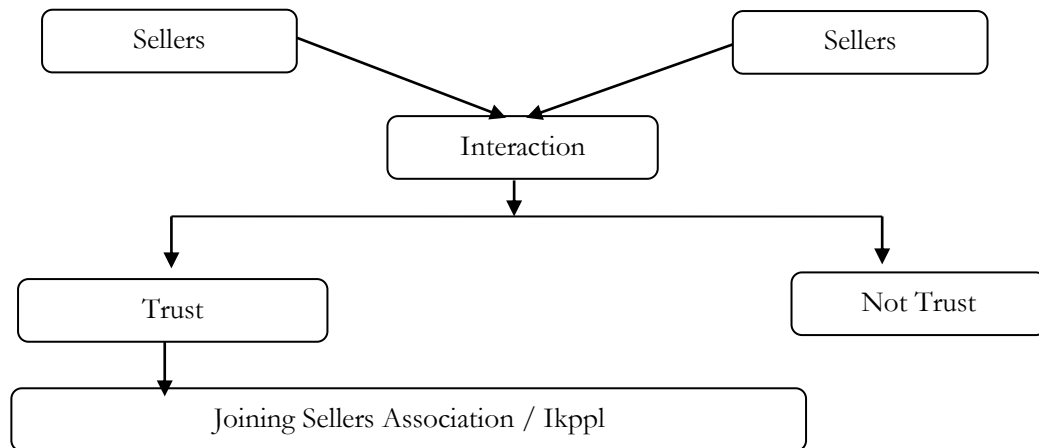


Figure 2.
Outline of trust among sellers at Kota Teluk Kuantan Traditional Market

As shown in the figure above, the relationship or interaction that occur for a long time and repeatedly make sellers know each others' character. Accordingly, when a seller considers other sellers trusted, she or he will join IKPPL or Sellers Association in Kota Teluk Kuantan Traditional Market because he or she believes that other sellers will pay the premium regularly like he or she does. Otherwise, when a seller does not have trust in them, he or she will not join the seller association. The fact showed that trust among sellers at Kota Teluk Kuantan traditional market is low because many sellers intentionally refuse to join seller association established by their fellow sellers.

According to Mitvhell (1969, as cited in Damsar 2011), at the individual level, social network is a relationship among a number of individuals with certain characteristics to imply social behavior of the involving individuals. The relationship among the sellers emerges because of intensity of their social action in their economic activities, social behavior such as care about others, gotong royong, etc. is exhibited. The networks established among the sellers and between sellers and buyers are unique because it is formed by economic activities. This uniqueness could be seen from the seller-buyer relationship, where a satisfied buyer recommends the seller to other buyers, which creates a micro-network. Meanwhile, the network established between sellers is strengthened by the sellers' social status, or in this case, by the environment that possesses the same purposes (i.e., selling products to gain profit). Two forms of network (i.e., micro and meso networks) can be used to describe the network established in Kota Teluk Kuantan traditional market.

In this study, the micro-network is seen from the seller-buyer network that yields a close relationship, which also serves as one of the supports of the existence of Kota Teluk Kuantan

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traditional market. Relationships among sellers and between sellers and buyers yield a micro-network, as Damsar (2001) argues, when individuals interact with one another, their interaction may be crystallized into a social relationship, this relationship continues to be a social network among them. An inter-individual social network is called a micro-network. The micro-network among the sellers may provide them and the buyers a range of information as a result of the communication they do. This is in line with Rogers who states that social network is another network for individuals within an organization, it goes beyond friendship and contains the necessary information to enhance job performance or information exchange through one individual to another (Rogers, 1979 as cited in Mcdwell, 2008).

Meso network refers to relationships built by individuals within a group (Damsar, 2001). Meso network in Kota Teluk Kuantan traditional market can be seen from the relationship of seller groups, such as cloth sellers- food sellers relationship, or that of fruit sellers and food sellers. This kind of relationship then turns into meso-level network and significantly influences the existence of Kota Teluk Kuantan traditional market. The following figure shows the social network among sellers:

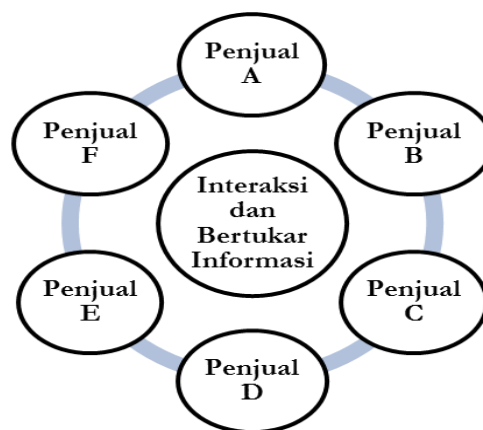


Figure 3.

Outline of network among sellers at Kota Teluk Kuantan Traditional Market

As shown in the figure above, interactions or close relationships among the sellers (i.e., interaction and exchange of information done by seller A, B,C,D, E F) can be seen when seller A needs seller B's help, they will help each other. In addition, when a buyer could not find what he or she needs in seller A, seller A will recommend seller D's product, etc. Such a relationship was found in Kota Teluk Kuantan traditional Market. The following figure shows the social network between sellers and buyers:

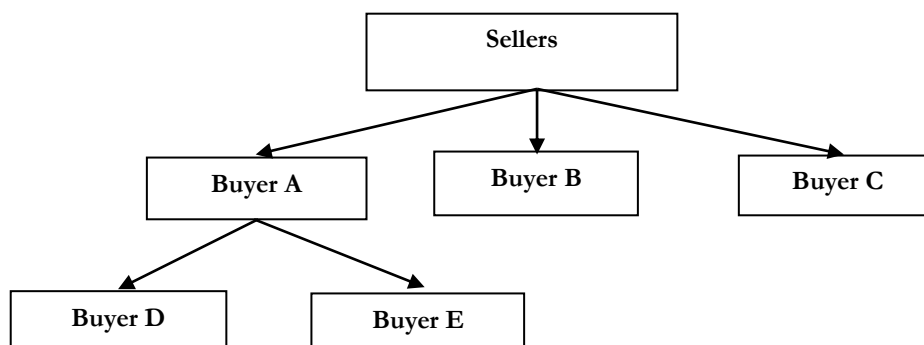


Figure 4.

Outline of network between sellers and buyers at Kota Teluk Kuantan Traditional Market

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The figure above showed that the sellers-buyers network has been firmly established and associates with one another. The outline above showed that a seller has buyer A, B, C. Among these buyers, A was satisfied with the seller's product. Accordingly, buyer A recommends the sellers' kiosk to buyer D and E, buyer's A friend and family, which may create a network. The same case potentially happens with buyer B and C because it is related to customer satisfaction toward the goods or service they bought from the seller. This satisfaction depends on the quality of the goods, the price agreed through the bargaining process, and relationship between sellers and buyers.

This social capital, as previous forms, does not only facilitate certain actions but also leads to negative effect of social capital (Coleman, 1998). Within the relationship among the sellers or between sellers and buyers, a rule, either written or unwritten, applies. Such a rule usually is associated with morals and norms prevailing in the community such as prohibition to lie related to the products' condition, among others, which is related to Islamic religious norms the Teluk Kuantan community adhere to. Such rules reflect the community values that involve cultural and religious values, among others.

Values determine the scope of social actions and serve as a main dimension of culture, it becomes principles that underlie the establishment of values. Value is either a need or purpose that determines action by considering the positive and negative sides of action. Within activities in the traditional market, values and norms are reflected in the market actors' action, such as helping each other, which constitute a value that exists in the community, in addition, voluntary cleanup activities (*kerja bakti*) also prove the existence of value in the traditional market. The following outline exhibits the value and norms established among the sellers and between sellers and buyers:

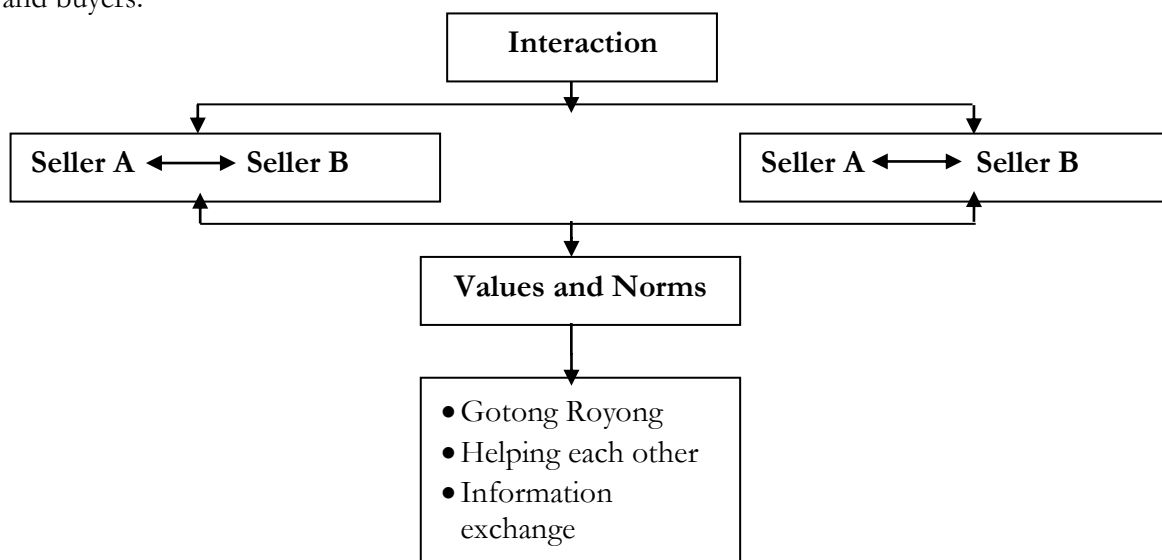


Figure 5.

Outline of value and norm among sellers and between sellers and buyers at Kota Teluk Kuantan traditional market.

The outline shows that in the relationship between seller A and seller B and between seller A and buyer B, they interact with one another. From the interaction, actions that reflect value and norm are found, such as gotong royong and helping each other. However, the relationship

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also generates information between seller A and seller B and between seller a and buyer A, which positively influence both parties and is unique.

In the traditional market, social capital also bridges the producers' profit and consumers. From the producers' perspective, social capital provides an assurance of profit. In addition, the consumers also benefit from the goods' quality and price because the quality of products sold in the traditional market is equal, if not better, to those sold in modern market. In other words, both producers and consumers benefit from the presence of social capital. These are the indicators of social capital in Kota Teluk Kuantan traditional market :

Table 2.
Indicator of social capital at Kota Teluk Kuantan traditional market

Market's Social Capital	
Indicator	Reality/Finding
Belief is indicated by	
<ul style="list-style-type: none"> • The presence of belief in an individual's action 	It depends on how far a seller knows other sellers or buyers, It may result in a quick, easy, and cooperative transaction process.
<ul style="list-style-type: none"> • The presence of intense communication 	Repeated communication between sellers or between sellers and buyers will make the buyer knows the individuals more deeply, which results in more effective transaction.
<ul style="list-style-type: none"> • Debt 	Debt serves as an evidence that a person is trusted.
Network is indicated by	
<ul style="list-style-type: none"> • The presence of Individual relationship 	The relationship among the sellers or between seller and buyer is one of examples of individual relationship set, such an individual delivers loyalty.
<ul style="list-style-type: none"> • Presence of Repeated Interaction 	An intense interaction between sellers or between seller and buyer establishes the element of trust, which ease the transaction because each party understand their own taste and willingness.
<ul style="list-style-type: none"> • Presence of Information 	Communication and social interaction between sellers create a stream of information from an individual to another, such information may concern with price, distribution patterns, or others, leading to cooperation that promotes business efficiency.
Value and Norms are indicated by	
<ul style="list-style-type: none"> • Presence of Rule 	The presence of rule serves as the evidence that there is a binding norm in the relationship between sellers and market management, where all parties adhere to the rule.
<ul style="list-style-type: none"> • Presence of Culture 	Culture that turns into trend also affects the customer in choosing a product, accordingly, the sellers adjust their product to the trend.
<ul style="list-style-type: none"> • Presence of Religious value 	Religious value plays role in a seller's action in doing economic relationship or relationship with other sellers or buyers, such as honesty, and other values.

Based on the social capital built in this traditional market, it can be said that these dimensions can emerge and be established in the traditional market. The presence of social capital reflects a significant role in helping Kota Teluk Kuantan to survive the community's developing, dynamic socio-economic life. Based on the findings, it is expected that the economic

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actors in Kota Teluk Kuantan to: maintain good relationships, to cooperate in order to build a comfortable, safe, and fun atmosphere to avoid any form of deviation of social norms. It is important to build social capital to enhance social solidarity. Social capital can be utilized to develop the economy to achieve common welfare..

CONCLUSION

Sellers at Kota Teluk Kuantan traditional market possess diverse characteristics and social dimensions. In terms of their characters, it could be seen that culture has molded rational actors out of the traditional market, the sellers and other market actors put culture to present and adjust themselves toward relationship and interactions occur in the market. Relationship networks among sellers or other market actors exhibit mutual relationship patterns (primary) manifested in an egalitarian manner. Values of collectivity live in Kota Teluk Kuantan traditional market.

Based on the social capital built in this traditional market, it can be said that these dimensions can emerge and be established in the traditional market. The presence of social capital reflects a robust role in helping Kota Teluk Kuantan to survive the community's developing, dynamic socio-economic life. Social capital built in Kota Teluk Kuantan traditional market consists of network, social norms, and trust from each element of the market.

As a network, the market serves as a space of trading interaction that leads to networks among the market actors. Through such networks, people share information, remind each other, and help each other. The advantage of network relationships among sellers is in the form of local trading information. Two forms of the network are formed by social interactions among the market actors, the strong and the weak ones. Strong network refers to the relationship among sellers, or between sellers and loyal customer and agents. Social norms in Kota Teluk Kuantan traditional market hold a number of functions, namely as a means to minimize deviating behaviors during transactions, to organize transactions, to help sellers gaining trust from others, to maintain togetherness, and to keep rapport among individuals.

With regard to trust, it does not emerge immediately. Instead, it requires processes of relationship among individuals who have been involved in economic activities together for a long time. It rises due to honesty and discipline toward the norms prevail in Kota Teluk Kuantan Traditional Market. Trust functions to influence sellers' decision-making process, to build cooperation in the market, to minimize works by reducing transaction cost, maintaining the market orderliness, improve the relationship among the market actors, and serves as an important asset to develop social capital.

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