

AN ANALYSIS OF THE IMPACT OF TRADITIONAL MARKET RELOCATION ON CHANGES IN VENDORS' INCOME: A CASE STUDY IN LASORI VILLAGE, EAST MAWASANGKA DISTRICT

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Abstract

The relocation of traditional markets is a common local government policy aimed at reorganizing people's economic space, yet it often generates socio-economic consequences for traders, particularly regarding their income levels. This article analyzes the potential impact of traditional market relocation on changes in traders' income, using the case of the construction and relocation of the people's market (pasar rakyat) in Lasori Village, East Mawasangka Sub-district, Central Buton Regency. The study was conducted through a literature review approach, comparing findings from previous studies on traditional market relocation across various regions in Indonesia and contextualizing them within the characteristics of Lasori Village. The findings indicate that the impact of market relocation is bidirectional: in the short term, relocation tends to reduce traders' income due to reduced consumer access and information, spatial adaptation processes, and limited post-relocation promotion and assistance; whereas in the long term, relocation may increase income if the new location is strategic, facilities are adequate, and supported by enabling policies from village and regional governments.

Keywords: *market relocation, traditional market, traders' income, Lasori Village, local economy*

INTRODUCTION

Traditional markets are one of the main pillars of the people's economy in Indonesia because they serve as venues for buying and selling as well as a source of livelihood for millions of small- and medium-scale vendors. As part of the informal sector, traditional market vendors generally have limited capital, sell daily necessities on a retail basis, and are highly dependent on the proximity of their trading locations to their regular customer base Kartono et al., 1980, as cited in (Pamungkas, 2015). Due to their strategic role, local governments often restructure markets through relocation policies or the construction of more representative public markets.

Market relocation policies are generally driven by the desire to improve the quality of commercial infrastructure, ensure orderly land use, and promote economic growth in the region (Novianti, K, dan Syahid, 2017). In Central Buton Regency, for example, the regency government built a People's Market in Lasori Village, East Mawasangka Subdistrict, in 2017 with a budget of nearly Rp6 billion on a 100 × 120-square-meter plot of land that accommodates approximately 200 stalls,

with the aim of promoting economic growth for the community, particularly in the East Mawasangka area. The construction of such markets is essentially intended to provide a more suitable business environment; however, the process of relocating commercial activities from the old location to the new one does not always go smoothly and has the potential to alter vendors' income patterns (Wahyudi, 2019).

A number of studies in various regions indicate that the relocation of traditional markets tends to result in a decline in vendors' income, at least in the short term (Lidiasari et al., 2026). A study of vendors relocated from Sutomo Market to Lau Cih Central Market in Medan, for example, found a significant difference in income, specifically a decline following the relocation (Hasbuan, 2017). A similar pattern was also observed among vendors at Babulu Darat Market in North Penajam Paser Regency, who complained of a decline in income due to the new location's less-than-ideal strategic placement, which resulted in a lack of customers (Qomariyah, 2022). Similarly, vendors at Mangkurawang Market in Tenggara reported that their income had not increased as expected following the relocation (Permatasari et al., 2022).

Based on the above discussion, this article was written to conceptually analyze how the policy of relocating or developing the traditional market in Lasori Village has the potential to affect changes in vendors' income, drawing on patterns documented in accredited studies of similar cases in various regions of Indonesia

LITERATURE REVIEW

Traditional Markets and the Concept of Market Relocation

Traditional markets are places where sellers and buyers meet face-to-face, characterized by bargaining and relatively simple management. Vendors in these markets, including street vendors, are generally small-scale entrepreneurs who are not formally organized and rely heavily on their trading locations to reach buyers (Hidayat & Lestari, 2025). Market relocation is defined as a policy to move trading activities from an old location to a new location designated by the government, whether for reasons of urban planning, infrastructure renewal, or market capacity expansion. It is emphasized that the location and quality of the new relocation site are critical factors in relocation planning, as the resulting socioeconomic impacts can be either positive or negative depending on the readiness of the new site (Prasetya & Fauziah, 2021).

The Merchant's Theory of Income

A vendor's income is generally understood as the difference between total revenue from sales and total costs incurred in business operations. Several factors consistently found to influence vendors' income levels include business capital, business location, length of operation, and working hours. Mithaswari and Wenagama (2018), in their study at Guwang Art Market, found that business location has a positive effect on vendors' income. Relatively consistent findings were also obtained in a study at Tajamara Park, Sumenep, which showed that business location and product selling prices have a positive and significant effect on street vendors' income (Safitri & Husada, 2025). Thus, a change in trading location due to relocation policies has great potential to alter vendors' income levels, either positively or negatively.

Previous Research on the Impact of Market Relocation on Vendors' Income

Various accredited studies in Indonesia have generally found that the relocation of traditional markets tends to result in a decline in vendors' income, at least in the short term following relocation. The research results indicate the existence of administrative legal gaps characterized by regulatory disharmony, weak policy transition design, and institutional uncertainty. This study underscores the importance of adaptive and coordinated administrative governance to ensure the sustainable management of traditional markets (Mangunsong et al., 2026). Similar findings were observed among vendors at the Talang Banjar People's Market in Jambi City, who experienced a decline in sales ranging from 30 percent to more than 70 percent due to a lack of customers at the new location (Eva Pertiwi et al., 2024).

In the case of Babulu Darat Market in North Penajam Paser Regency, the decline in vendors' income was caused by the new location's less-than-ideal strategic position, which resulted in a lack of customers (Gani et al., 2024). Meanwhile, a study of the relocation of Mangkurawang Market in Tenggara from an Islamic economic perspective shows that although the principle of justice ('adl) was sought through a lottery to assign sales locations, the expected outcome (ma'ad) an increase in vendors' income following the relocation has not yet been achieved in reality (Susanti *et al.*, 2020). This pattern of socio-economic impacts, which are not always positive, was also observed in the relocation of the Modern Traditional Market in Maros Regency (Migusti, 2025).

The result, the Banjarbaru City government's success in relocating the Bauntung Market prioritized the aspects of cleanliness, comfort, and health or BERNAS (Clean, Comfortable, Safe, and Healthy) for short. This success is also inseparable from the accommodation of the interests of the target groups (vendors and buyers) who desire suitable, clean spaces (stalls/booths/kiosks) that ensure a comfortable buying and selling experience (Kuncoro & Apriliyanti, 2024). The Samarinda City Government has initiated this project by relocating vendors, though obstacles such as vendor opposition and a lack of communication have arisen. This study aims to evaluate the revitalization policy, the challenges faced, and its impacts, with the hope of providing recommendations to improve the economic well-being of the community (Adityanto Adityanto & Enos Paselle, 2024).

RESEARCH METHOD

This article was prepared using a literature review approach by examining and comparing the results of accredited research studies on the impact of traditional market relocations on vendors' incomes in various regions of Indonesia, which were then contextualized in light of the regional characteristics and development policies of the Lasori People's Market. Secondary data on regional profiles and market development policies were obtained from official documents of the Lasori Village Government and local media reports..

As a framework for further field research, the recommended approach is a quantitative descriptive study of the population of active vendors at Lasori Traditional Market, using saturation or snowball sampling given the relatively small population size, and collecting data through questionnaires, interviews, and documentation.

It should be noted as a limitation of this study that this article is conceptual in nature and does not present primary data from a direct survey of vendors at the Lasori Traditional Market. The specific figures and findings cited refer to case studies from other locations as comparative benchmarks;

therefore, further field research is needed to obtain actual income data for vendors in Lasori Village before and after the traditional market began operations.

RESULTS AND DISCUSSION

Overview of Lasori Village and Policies for the Development of the Local Market

Lasori Village is one of eight villages in East Mawasangka Subdistrict, Central Buton Regency, Southeast Sulawesi Province, and also serves as the subdistrict capital. The village was established in 1970, covers an area of approximately 49 km², and is divided into four hamlets: Lamena, Labelenga, Mantunga, and one other hamlet (Lasori Village Information System, n.d.). As the subdistrict capital overseeing seven other surrounding villages, Lasori Village has the potential to become an economic hub for the entire Mawasangka Timur region.

In 2017, the Central Buton Regency Government built a People's Market in Lasori Village with a budget of nearly Rp6 billion. The market stands on a 100 × 120-square-meter plot of land donated by residents and, constructed with heavy steel, can accommodate approximately 200 stalls. This policy was explicitly intended to boost the community's economic growth, with the hope that vendors who had previously sold their goods at the old location would transition to using the new market through a lot-drawing system (Inilahsultra.com, 2017). This policy approach aligns with common practices in the development of public markets across various regions, namely providing more permanent and well-organized infrastructure to replace traditional markets that are in poor condition.

Potential Impact on Merchants' Revenue: A Comparative Analysis

Referring to the patterns of findings in various market relocation cases as outlined in the literature review, there are two possible directions of impact that are relevant to consider in the case of Lasori Traditional Market. The potential short-term impact tends to be negative. As observed in the cases of Medan, Babulu Darat, and Talang Banjar, the post-relocation transition period is generally marked by a decline in income due to vendors' adaptation to the new layout, the loss of some regular customers accustomed to the old location, and insufficient outreach regarding the new market's existence. This pattern could also occur in Lasori Village if outreach efforts to residents in the seven surrounding villages are not carried out adequately, given that the new market requires changes in residents' shopping habits.

Potential long-term impacts that could be positive. As the subdistrict capital serving an area comprising eight villages, the Lasori Traditional Market has a relatively large captive market provided that road accessibility and post-construction promotional efforts are effective. This aligns with findings that business location and facility quality positively influence vendors' income (Mithaswari & Wenagama, 2018), as well as with Davidson's emphasis that the success of relocation heavily depends on the readiness and quality of the new location. In other words, if the village and regency governments consistently provide post-relocation support through promotion, fair stall allocation, and improvements to road access to the market, vendors' income has the potential to recover and even exceed pre-relocation levels (Baso & Arafat, 2024).

Both possibilities confirm that the impact of market relocation on vendors' income is not a deterministic relationship, but is strongly mediated by the quality of post-relocation support policies. A study on the relocation of the Talang Banjar Traditional Market concluded that without adaptive

strategies and government support, the negative impact of relocation on vendors' income tends to persist for a longer period (Migusti, 2025). This principle is relevant for the government of Lasori Village and Central Buton Regency to consider when evaluating the sustainability of the Lasori Traditional Market's management following its construction.

Policy Implications

- Ongoing outreach is needed to residents in all villages throughout the Mawasangka Timur Subdistrict regarding the existence and advantages of the Lasori People's Market so that the migration of shoppers from the old market to the new one proceeds smoothly.
- Village governments need to ensure that the mechanism for allocating market stalls is fair and strategic for all types of merchandise, in line with the principle of justice ('adl) emphasized in studies on market relocation from an Islamic economic perspective.
- There is a need for post-relocation business support programs, including access to capital and training, given that working capital is a key determinant of vendors' income (Wibowo et al., 2021).
- Survey-based field research among active vendors at Lasori Traditional Market is essential to empirically measure changes in real income before and after the relocation.

CONCLUSION

Based on the literature review outlined above, it can be concluded that the policy regarding the development and relocation of the Lasori Traditional Market in East Mawasangka Subdistrict has the potential to have dual impacts on vendors' income. In the short term, patterns observed in market relocation cases in various other regions indicate a tendency for income to decline due to the adaptation process, the loss of some long-standing customers, and a lack of public outreach. However, in the long term, given the strategic location of Lasori Village as the subdistrict capital with a relatively wide market reach, the market relocation has the potential to increase vendors' income if supported by fair and sustainable policies for assistance, promotion, and market management..

This article is structured as a conceptual analytical framework based on a literature review and secondary data; therefore, it is recommended that future research conduct a direct field survey of vendors at Lasori Traditional Market—either through questionnaires or in-depth interviews—to obtain primary data on income before and after the relocation, as well as to statistically test the factors that influence it, such as business capital, location, working hours, and length of business operation..

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