



## Traditional Markets in Pekalongan City: Imam Al-Ghazali's Perspective and SWOT Analysis Construction

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### Abstract

*This study aims to find out how traditional markets in Pekalongan Regency are from the perspective of Imam Al-Ghazali and the construction of SWOT analysis. This research is qualitative research that combines field studies and literature studies. The data in this study were obtained from interviews, observations, documentation, and also literature reviews such as books, journals, and other sources that are considered credible and relevant to the research topic. The results of the study show that the existence of traditional markets is very important for the people of Pekalongan Regency, both from the perspective of traders and buyers. Traditional markets have become a place for some people to find a source of livelihood. And for some other people, traditional markets are places to get various goods they need. This is following Imam Al-Ghazali's thoughts about the importance of the market and the economic system in it. However, from a practical point of view, there are also things in traditional markets that are not following Imam Al-Ghazali's thoughts. In the construction of SWOT analysis, traditional markets have various strengths, weaknesses, opportunities, and challenges that will affect their existence and development.*

**Keywords:** Traditional Market, Imam Al-Ghazali, SWOT Analysis.

## Abstrak

Penelitian ini bertujuan untuk mengetahui bagaimana pasar tradisional di Kabupaten Pekalongan ditinjau dari Imam Al-Ghazali dan konstruksi analisis SWOT. Penelitian ini merupakan penelitian kualitatif yang memadukan studi lapangan dan studi literatur. Data dalam penelitian ini diperoleh dari wawancara, observasi, dokumentasi, dan juga tinjauan pustaka seperti buku, jurnal, dan sumber lain yang dianggap kredibel dan relevan dengan topik penelitian. Hasil penelitian menunjukkan bahwa keberadaan pasar tradisional sangat penting bagi masyarakat Kabupaten Pekalongan, baik dari sudut pandang pedagang maupun pembeli. Pasar tradisional telah menjadi tempat sebagian masyarakat mencari sumber penghidupan. Dan bagi sebagian masyarakat lainnya, pasar tradisional merupakan tempat untuk mendapatkan berbagai barang yang mereka butuhkan. Hal ini sesuai dengan pemikiran Imam Al-Ghazali tentang pentingnya pasar dan sistem perekonomian di dalamnya. Namun dari segi praktis, ada juga hal-hal yang ada di pasar tradisional yang tidak sejalan dengan pemikiran Imam Al-Ghazali. Dalam konstruksi analisis SWOT, pasar tradisional mempunyai berbagai kekuatan, kelemahan, peluang, dan tantangan yang akan mempengaruhi keberadaan dan perkembangannya.

**Kata kunci:** *Pasar Tradisional, Imam Al-Ghazali, Analisis SWOT.*

## INTRODUCTION

National development carried out by the Indonesian nation is one of the efforts made to achieve the nation's noble ideals, namely advancing general welfare and achieving social justice in accordance with the Constitution and Pancasila. Regional development is part of national development. Regional development is the use of existing resources to improve the welfare of people in the region, including in the economic sector (Yulita et al., 2020). The economy is a unity of values that cannot be separated from every side of people's lives. The economy has a connection with the social and cultural values of society; in fact, the economy transmits the potential power of society and influences and shapes the reality or environment in which the economy is practiced (Nurhadi & Wati, 2019).

The economic empowerment strategy can be realized in many ways, one of which is through strengthening the real economic sector, for example, the market. A market economy is an economic system that is controlled, regulated, and directed by the market itself. Regulations in the production and distribution of goods are entrusted to the market mechanism itself. This type of economy originates from the hope that humanity will adopt such an attitude as to gain as much profit as possible. This economic system considers the market as a place to provide goods and services at a certain price, based on which price will meet demand. In such a market system, consumers are an important factor and determine the position of the market. Consumers will determine the goods and services they want (Nurhadi & Wati, 2019; Wartoyo, 2016).

The market is a sector that is taken into account in economic governance. The market is a place where buying and selling transactions occur. There are various types of markets according to the form of activity, markets according to the method of transactions, markets according to the type of goods, and markets according to the freedom of distribution (Yulianti et al., 2021). However, in general, markets can be

divided into two categories: traditional markets and modern markets. Traditional markets are characterized by direct transactions between buyers and sellers, and usually a bargaining process occurs. Traditional markets also contribute income to the region with the implementation of market levy policies. Currently, traditional markets are still trying to survive amidst increasingly rapid modernization (Putri & Adnan, 2021; Wartoyo 2024).

Traditional markets can be called local wisdom. Local wisdom is a set of knowledge possessed by people living in an area, supported by technology created to support daily life. Traditional markets as part of local community culture must be preserved so that, in the future, they do not become stories that can only be guessed at (Sari & Rini, 2018). Traditional markets are a driver of the community's economy; the presence of traditional markets is something that is really needed in society to fulfill primary and secondary needs. The advantage of traditional markets, apart from transactions through a bargaining process, is that the products or commodities traded come from the community, for example, agricultural, plantation, and handicraft products. So the presence of traditional markets can improve the economy of society (Sriani, 2020; Wartoyo, 2021).

Traditional markets are one of the hearts of the community's economy. The position of traditional markets remains important in community life. Many people still need traditional markets to find income and also for their needs in buying and selling transactions. The rapid development of modern markets is felt by many parties to have an impact on the existence of traditional markets. Especially the lack of government supervision of traditional markets, which makes these markets unable to compete with modern markets, And many people complain about dirty traditional markets, dirty and damaged roads, lots of thuggery, a lack of security, and unhealthy food (Djayusman et al., 2018).

Traditional markets tend to sell local goods and are less likely to find imported goods. This shows that traditional markets are certainly more nationalistic in terms of trade. In terms of quantity and variety, traditional markets generally have a smaller inventory of goods than modern markets because the quantity sold by traders is in accordance with the capital owned by each trader (Istifhama, 2017). Apart from that, traders in traditional markets also do not have complete facilities to store too much merchandise. In contrast to modern markets, traders in traditional markets do not have a large space to store their merchandise (Yulita et al., 2020). Based on the data, there has been a decline in the number of traditional markets amidst the development of modern markets. The decline in the number of traditional markets is not only due to the development of modern markets; another cause is the condition of the market itself. The condition of traditional markets is synonymous with dirty, muddy, chaotic, and disorganized. The condition of traditional markets, which seems poor and lagging behind, makes it difficult for traditional markets to compete with modern markets (Nugraha et al., 2018; Wartoyo & Haida, 2024).

Strengthening the real economic sector of traditional markets is very important considering that the position of traditional markets is increasingly being shifted by the hegemony of modern markets. In the midst of this situation, people are increasingly being treated to a variety of modern shopping that provides a more comfortable atmosphere and offers discount prices, even if only for certain products. In fact, competition between modern markets through price competition and promotions is increasingly making traditional markets lag behind. In fact, the existence of traditional markets is one of the most obvious indicators of community economic activity in a region. Therefore, the

government should be able to pay attention to the existence of traditional markets as a public facility that supports community economic activities (Istifhama, 2017; Wartoyo & Haida, 2024).

Government attention is needed towards the people's business sector, especially in determining the direction of economic development policies, such as in structuring traditional markets. The government's support for the people's business sector must be implemented in real policies that encourage the people's business sector, such as traditional markets, to be able to compete with the large business sector, which usually seems more modern and elegant. If there is no government support for traditional traditional markets, then gradually the people's business sector, which is active in traditional markets, will be left behind by modern markets (Wahab, 2016). Apart from that, from the internal side, so that traditional markets can survive and develop in a business world full of competition, traditional markets must be able to understand their strengths and weaknesses thoroughly (Fitriani & Nuswantara, 2018).

Islam places the market in an important position in the economy because, from an Islamic perspective, the market is seen as a place that has its own benefits for the wider community. In the market, there is what is called a market mechanism. The market mechanism is the interaction between demand and supply, which will determine a certain price level. The market mechanism in Islamic economics has its own characteristics, which are in accordance with the principles of Islamic law. Rasullah really appreciated the price established by the market as a fair price. He rejects price intervention if price changes occur due to normal market mechanisms. However, market prices here must be based on morality, honesty, openness, and fairness. If these values are upheld, then there is no reason to reject market prices (Qurtubi, 2020; Hamdalah et al, 2024).

Al-Ghazali is one of the scholars who discusses and pays attention to problems in economic activities, including those related to markets (Syarifuddin & Saputra, 2020). Al-Ghazali views economic development as part of social obligations, which have been established by Allah. He stated that if these things (the economy) are not fulfilled, life will collapse and humans will perish. It is true that salvation in the afterlife is the ultimate goal of human life. However, Al-Ghazali did not want this search for salvation to neglect one's worldly obligations. He emphasized that economic activities must be carried out efficiently because they are part of fulfilling one's religious duties. Even a livelihood in economic activities is not only desired but is a necessity to achieve safety. Al-Ghazali has a concept of market evolution in his book, namely *Ihya 'Ulum al-Din*, which provides many descriptions of the importance of market evolution for an ideal society (Kuntoro, 2019).

Surprisingly, Al-Ghazali provides a detailed discussion of his thoughts on market evolution. Al-Ghazali's thoughts regarding market evolution in general state that the problem of market evolution departs from the principles of monotheism, the afterlife, and the message. Because these principles are the main basis for living life, from this principle, the multidimensional objectives of economics are built. Not only is the aim limited to being material-oriented, but also in order to achieve spiritual satisfaction. Al-Ghazali's thinking about market evolution is a thought that seeks to avoid harm and always prioritizes benefit by always being tied to Islamic law (Yahanan, 2014). Market evolution is a trigger for humans to carry out noble behavior that can help others. In market evolution, the conditions for achieving prosperity are peace, wealth, mutual affection, and mutual respect for the rights of others. Thus, Al-Ghazali has clearly stated mutuality in economic exchange. However, there are many discrepancies between the

current economic reality and Al-Ghazali's thoughts. Today's economic activities are more profit-oriented (Syarifuddin & Saputra, 2020).

Pekalongan Regency is one of the districts in Central Java Province. The existence of traditional markets in this area can be said to still exist today. Until now, Pekalongan Regency still has at least several traditional markets spread across several sub-districts, namely: Kajen Main Market, Kedungwuni Market, Wiradesa Market, Doro Market, Kesesi Market, Karanganyar Market, Wonopringgo Market, Bojong Market, and Sragi Market, all of which are managed by the Department of Industry, Trade, Cooperatives, and SMEs (Disperindagkop and SMEs) in Pekalongan Regency. As a market manager, the Pekalongan Regency government needs to evaluate the existence of traditional markets in their area so that they continue to exist (Susilo & Sabana, 2013). Seeing this phenomenon, researchers are interested in conducting a study of traditional markets in Pekalongan Regency using the Islamic economic thought approach from Imam Al-Ghazali's perspective, especially those related to the context of market problems. Apart from that, as a critical study of existing conditions, through this research, researchers also try to build a SWOT analysis of traditional markets in Pekalongan Regency.

## **LITERATURE REVIEW**

### ***Traditional Market***

In simple terms, the market is a place where producers and consumers meet. Producers are those who produce goods and services, while consumers are those who need goods and services. The place where producers and consumers meet is called the market, while the term "traditional" indicates that the economic actors who operate in it use relatively simple methods and often rely on intuition rather than management knowledge. Traditional market activities are described as busy with bargaining activities here and there. This busy bargaining activity is one of the characteristics of traditional markets (Sutarso & Muhibbin, 2012).

Traditional markets are markets developed and operated by the central government, regional government, private sector, state-owned enterprises, regional-owned enterprises, or partnerships with the private sector. These markets usually have business locations in the form of shops, kiosks, stalls, and tents that are owned and operated by small, medium, or cooperative traders with capital requirements that are not too large and operate on a small scale. Bargaining is a common practice in this market (Malano, 2011).

Traditional markets are places where sellers and buyers meet and are characterized by direct buyer-seller transactions and usually a bargaining process. The building usually consists of stalls or outlets, booths, and open grounds, which are opened by the seller or a market manager. Most sell daily necessities such as food ingredients in the form of fish, fruit, vegetables, eggs, meat, cloth, clothing, electronics, services, and so on. Apart from that, there are also those who sell cakes and other items. Markets like this are still often found in Indonesia and are generally located near residential areas to make it easier for buyers to reach the market (Perpres RI No. 112 Tahun 2007).

Traditional markets are closely related to cultural elements, namely social systems and organizations, and are related to livelihood systems. In the presence of a market, there is a face-to-face meeting between sellers and buyers. The market has multiple roles; apart from the meeting between producers and consumers, the market has a function as a meeting place for every community that uses the market. The market is also a social and

cultural system, meaning that the market grows and develops in a society with a different structure and culture (Suartha, 2016).

### ***Imam Al Ghazali***

Imam Al-Ghazali is known by the long name Hujjatul Islam Abu Hamid Muhammad bin Muhammad Al-Tusi Al-Ghazali. He was born in the city of Thus, a small city in Iran, in 450 AH (1058 AD). He died on 14 Jumadil Akhir 505 H, or 19 December 1111 AD. His father was a Sufi. Imam Al-Ghazali really loved science. In fact, he is very thirsty to continue learning and studying various scientific disciplines. The scientific centers and several cities he visited included Jurjan, Naysabur, Baghdad, Syria, Palestine, and Alexandria (Egypt) (Ayu et al., 2020).

Al-Ghazali received his initial education in Thus under the tutelage of an educator and Sufism expert named Shaykh Ahmad bin Muhammad Ar-Radzakani, a close friend of his deceased father. After that, he went to Jurjan to study with Imam Abu Nashr Al-Isma'ili and wrote the book *At-Ta'liqat*. Then he returned to Thus. After that, he moved to Naisabur and studied kalam, or theology, with Imam Haramain Juwaini. Then he joined the Nizam Al-Mulk group, a group that at that time was very attractive to young Islamic scholars. In 484 AH or 1091 AD, Al-Ghazali was assigned by Nizam al-Mulk to teach at the Nizhamiyah higher education institution, which he founded in Baghdad. During the four years Al-Ghazali taught at that institution, he received the title of supreme teacher, so his name skyrocketed. At that time, he was counted as one of the most respected scientists, not only in the Nizhamiyah circle but also in government circles in Baghdad (Faizal, 2015).

Even though he had become a teacher and professor, he felt emptiness in his soul. Within himself, he found a sense of unrest, so he decided to pursue Sufism as a path to peace in his life. Imam Al-Ghazali later became a great Muslim scholar and was able to influence the development of science in the following period. Imam Al-Ghazali has experienced a transformation of thought towards Sufism. In many cases, it turns out that this transformation of thinking also has an influence on economic thinking (Aini, 2018).

Known as a scientist, Imam Al-Ghazali has many works that he produced during his life. He is a prolific writer and is able to create various amazing works that have become references for academics. In fact, his work has been translated into various languages around the world. Imam Al-Ghazali has produced around 300 written works covering various scientific disciplines, such as philosophy, morals, logic, tafsir, politics, Koranic sciences, Sufism, fiqh, administration, and economic behavior. Among his most famous works is *Ihya 'Ulum al-Din* (Thohir, 2016).

Imam Al-Ghazali has discussed Islamic economics in many of his works. Islamic economics, according to Imam Al-Ghazali's perspective, is based on a Sufi approach. For example, related to the concept of social welfare. According to Imam Al-Ghazali, the concept of Islamic social welfare is one that aims for the common good, achieving pleasure and blessings in the world and also in the afterlife. With one of the means, namely halal assets and constructive Islamic economic activities. The concept of social welfare covers all human activities. According to him, there are five basic goals in the concept of welfare, namely religion (din), soul (nafs), heredity (nasl), wealth (mal), and reason (aql) (Ayu et al., 2020).

Al-Ghazali defined the economic aspect of the social welfare function in a hierarchical framework of individual and social utility into three, namely daruriyat, hajiyat, and tahsiniyat. This hierarchy is a classification of needs consisting of basic needs, needs

for external goods, and needs for psychic goods. The majority of Al-Ghazali's discussion of various economic problems is contained in the book *Ihya 'Ulum al-Din*. Several economic themes that can be raised from Al-Ghazali's thoughts include voluntary exchange and market evolution, production activities, bartering, and the evolution of money, as well as the role of the state and public finance (Firmansyah, 2018).

### ***SWOT Analysis***

A managerial analysis method known as SWOT analysis is used to create company strategy policies. Since its creation, the application of this analytical tool has expanded to include organizations of all sizes and types. To better understand the dimensions of an organization's strengths, weaknesses, opportunities, and threats, this analysis integrates the interaction between the organization's internal factors and external factors. This understanding will help to develop the right strategy to achieve the goals of the organization (Djayusman et al., 2018).

SWOT analysis is a very common model used by business organizations to analyze situations and design their operational strategies. The purpose of a SWOT analysis is to serve as a guide so that businesses can concentrate more on comparing mindsets from the perspective of strengths, weaknesses, opportunities, and threats. Two factors—internal and external—are compared in a SWOT analysis. SWOT analysis is very helpful as a tool for strategic planning that examines the company's strategic aspects (Liani, 2019).

Apart from designing the company's strategic factors, SWOT analysis can also describe the company's external opportunities and threats without ignoring existing strengths and weaknesses. With this matrix, four sets of possible strategic alternatives are produced:

- **S-O Strategy (Strengths and Opportunities)**

This strategy is a strategy used by a business to utilize all its advantages and strengths. This strategy utilizes the company's internal strengths to seize opportunities that arise outside the organization.

- **S-T Strategy (Strengths and Threats)**

This strategy involves leveraging a company's advantages to overcome threats. This strategy aims to reduce the company's vulnerability to external threats.

- **W-O (Weaknesses-Opportunities) Strategy**

This strategy aims to minimize weaknesses in order to take advantage of opportunities. By using this strategy, organizations try to capture as many external opportunities as possible.

- **W-T Strategy (Weaknesses and Threats)**

This strategy is defensive, to minimize weaknesses and avoid threats. This strategy is a defensive tactic that suppresses internal weaknesses and avoids threats. Organizations are in a critical situation when faced with internal weaknesses and external threats (Rawung & Salindeho, 2020).

## **METHODS**

In general, this research is a type of field research using a qualitative approach (Sahir, 2021). Apart from that, literature analysis was also used as supporting data in this research. This research was conducted in several traditional markets in Pekalongan Regency. This research uses primary and secondary data. The primary data used in this

research is data that describes several traditional markets in Pekalongan Regency, which are then studied from Imam Al-Ghazali's Islamic economic perspective. Apart from that, from the existing data, we also try to construct a SWOT analysis of the traditional market. In obtaining primary data, data collection methods were used in the form of direct interviews, field observations, and documentation. This research also refers to secondary data from various existing pieces of literature. The literature used is various scientific and semi-scientific references such as books, journal articles, previous research publications, news excerpts, data from the internet, and other references that are considered credible and are used to support the analysis of this research study. In obtaining secondary data, a data collection method was used in the form of a literature review or review of literature relevant to the research.

Primary data and secondary data are evaluated descriptively and qualitatively to obtain information. Information from primary data is used to find a picture of what occurs regarding the research topic, which is then elaborated with explanations from secondary data (Rahmadi, 2011). The research method adopted in this research takes a descriptive analysis approach to describe how traditional markets exist in Pekalongan Regency. Furthermore, the comparative approach is based on Imam Al-Ghazali's perspective regarding economics, especially regarding markets, through various existing literature. Descriptive analysis of primary data is used to obtain information on traditional markets in Pekalongan Regency by providing a systematic and actual picture. Then, for secondary data, the content analysis method is used. The content analysis method is carried out by studying and reviewing existing literature to find information that can support this research (Abdussamad, 2021). Both data obtained are based on direct interviews, field observations, documentation n, and literature reviews used in this research.

## **RESULT AND DISCUSSION**

### ***Profile of Traditional Markets in Pekalongan Regency***

The following are some general profiles regarding traditional markets in Pekalongan Regency:

- **Kajen Center Market**

Kajen Center Market, located on Jl. Raya Diponegoro Kajen, was built on a land area of 7,198 m<sup>2</sup>, with a building area of 6,435 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Kajen Market there were 173 stalls, 1,283 stalls, and 59 stalls. The number of traders is 1,515, with 826 active traders and 689 inactive people. There are 15 market managers; of these 15 people, 6 serve as levy collectors and cleaners.

- **Kedungwuni Market**

Kedungwuni Market, located on Jl. Raya Capgawen Kedungwuni, was built on a land area of 27,340 m<sup>2</sup>, with a building area of 6,601 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Kedungwuni Market, there were 18 shophouses, 168 stalls, 650 stalls, and 570 stalls. The number of traders was 1,406: 1,215 active traders and 191 inactive traders. There are 17 market managers; of these 17 people, 5 serve as levy collectors and cleaners.

- **Wiradesa Market**

Wiradesa Market is on Jl. A. Yani Wiradesa, built on a land area of 18,244 m<sup>2</sup>, with a building area of 13,071.2 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Wiradesa Market, there were 46 shophouses, 265



stalls, 1,059 stalls, and 334 stalls. The number of traders is 1,703: 1,085 active traders and 618 inactive people. There are 18 market managers; of these 18 people, 9 serve as levy collectors and cleaners.

- Doro Market

Doro Market is on Jl. Raya Doro and was built on a land area of 8,431 m<sup>2</sup>, with a building area of 4,454.75 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Doro Market, there were 25 shophouses, 99 kiosks, 749 stalls, and 31 stalls. The number of traders is 904: 702 active traders and 202 inactive people. There are 11 market managers; of these 11 people, 5 serve as levy collectors and cleaners.

- Kesesi Market

Kesesi Market was built on a land area of 7,340 m<sup>2</sup>, with a building area of 3,234.5 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at the Kesesi Market, there were 66 kiosks, 601 stalls, and 30 stalls. The number of traders is 963, with 697 active traders and 266 inactive traders. There are 11 market managers; of these 11 people, 8 are tasked with collecting fees and cleaning.

- Karanganyar Market

Karanganyar Market is on Jl. Raya Karangsari. Karanganyar was built on a land area of 5,895 m<sup>2</sup>, with a building area of 2,963 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Karanganyar Market, there were 109 kiosks, 235 stalls, and 3 stalls. The number of traders is 530, with 317 active traders and 213 inactive traders. There are 5 market managers; of these 5 people, 3 are tasked with collecting fees and cleaning.

- Wonopringgo Market

Wonopringgo Market is on Jl. Raya Wonopringgo, built on a land area of 4,610 m<sup>2</sup>, with a building area of 2,319.12 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Wonopringgo Market, there were 75 stalls, 167 stalls, and 17 stalls. The number of traders is 591; there are 117 active traders. There are 5 market managers; of these 5 people, 3 are tasked with collecting fees and cleaning.

- Bojong Market

Bojong Market is on Jl. Raya Bojong, built on a land area of 3,880 m<sup>2</sup>, with a building area of 1,782 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Bojong Market, there were 62 stalls, 306 stalls, and 107 stalls. The number of traders is 549; active traders are 467; and inactive traders are 82. There are 9 market managers; of these 9 people, 3 serve as levy collectors and cleaners.

- Sragi Market

Sragi Market, located on Jl. Raya Sragi-Bojong, was built on a land area of 25,735 m<sup>2</sup>, with a building area of 2,334 m<sup>2</sup>. According to records from the Pekalongan Regency Industry and Trade Service in 2012, at Sragi Market, there were 70 kiosks, 187 stalls, and 105 stalls. The number of traders is 434, with 236 active traders and 198 inactive traders. There are 11 market managers, and of these 11 people, 8 serve as levy collectors and cleaners (Susilo & Sabana, 2013).

### ***Traditional Markets in Pekalongan Regency from Imam Al-Ghazali's Perspective***

The following is a discussion of the conditions of traditional markets in Pekalongan Regency from Imam Al-Ghazali's perspective:

- Demand, Supply, Price, and Profit

Although Al-Ghazali did not explain demand and supply in modern terms, several of his writings explicitly explain the shape of demand and supply curves. He said, “Prices can be reduced by reducing demand.” Al-Ghazali has also put forward the concept of elasticity of demand, which states that “reducing profit margins by selling at cheaper prices will increase sales volume, and this in turn will increase profits” (Kuntoro, 2019).

Al-Ghazali also spoke about “prevailing prices determined by market practices,” a concept that later became known as *al-tsaman al-adil* (fair price) among Muslim scientists or equilibrium price (balance price) among European scientists. contemporary. Al-Ghazali was very critical of excessive profits. He emphasized that sellers should not only be driven by material profits alone but also by the profits that will be obtained in the afterlife (Ridwan & Syamsuri, 2019).

Regarding Imam Al-Ghazali’s view, the same thing happens in transactions in the traditional markets of Pekalongan Regency. According to traders, prices that are too high will make it more difficult to sell merchandise. Prices that are too low will lead to unhealthy competition and even ‘kill the market’. So, they tend to set prices at what is called ‘reasonable’, namely relatively the same as other traders. Even if there is a price difference between traders, this difference is still considered reasonable and not significant.

- **Ethics of Market Behavior**

According to Al-Ghazali’s view, markets must function based on the ethics and morals of the players. In particular, he warned against taking advantage by hoarding basic necessities, providing misinformation about merchandise, engaging in counterfeiting and fraudulent practices, and prohibiting market control through secret agreements and price manipulation. Market players must also reflect virtues such as being friendly when interacting with other people (Syarifuddin & Saputra, 2020).

Ethics in traditional markets are realized by traders in the form of providing friendly service to buyers, providing correct information regarding their merchandise, and also setting reasonable prices. This is also done with the intention of creating satisfaction for buyers, which will lead to loyalty from these buyers. Apart from that, this will also create a good image for traders, which can spread by word of mouth, potentially bringing in new buyers.

- **Production of Basic Necessities as a Social Obligation**

Al-Ghazali considers work to be part of a person’s worship. In fact, he specifically views the production of basic necessities as a social obligation (*fard al-kifayah*). This means that if there is a group of people involved in the business world who produce these goods in quantities sufficient for society’s needs, then society’s obligations have been fulfilled. However, if no one is involved in these activities or if the amount produced is not sufficient for the needs of the community, everyone will be held accountable in the afterlife. In this case, in principle, the state must be responsible for guaranteeing the community’s needs for basic goods (Ayu et al., 2020).

In this regard, traditional markets in Pekalongan Regency are a place to provide for various community needs. The traditional market is a means of meeting traders who make a living with buyers who need their goods. The existence of traditional markets in Pekalongan Regency is very vital for the community and regional economy.

- **Production Hierarchy**

Broadly speaking, Al-Ghazali divided production activities into three groups, including: (1) basic activities, namely industries that maintain human survival; (2) supporting activities, namely activities that are additional to basic activities; and (3)

complementary activities, namely activities related to basic activities. These three groups must be actively increased to ensure harmony in the socio-economic environment (Firmansyah, 2018).

Based on this, traditional markets in Pekalongan Regency are classified as supporting activities and complementary activities. This can be seen from the nature of the traditional market itself.

- Barter Problems and the Need for Money

Al-Ghazali's perspective on the problems surrounding barter is summarized in several ways, as follows: (1) not having the same values; (2) the necessity of having the same needs or desires; and (3) barter transactions tend to be inefficient because goods vary. According to Al-Ghazali, the evolution of money to replace barter occurred through agreements and conventions, which means that there could be no economic activity in society without the exchange of goods, and there could be no efficient exchange without equivalence in the value of an item (Aini, 2018).

Transaction activities in traditional markets in Pekalongan Regency, of course, use the rupiah, which is the official currency of Indonesia. The majority of transactions are still carried out in cash (cash), although non-cash transactions (cashless) are also developing. However, barter transactions are sometimes still carried out between traders under certain conditions, either directly or indirectly.

- Prohibition of Riba

Riba is the dangerous practice of misusing the function of money, such as hoarding goods for individual interests. There are two ways riba can appear in hidden form. Riba can arise if there is an exchange for a different amount or with a different delivery time. If the delivery time is not immediate and there is a request to exceed the amount, this excess is called riba al-nasiah. If the amounts given are not the same, the excess given in the exchange is called riba al-fadl. According to Ghazali, both forms of transactions are haram (Aini, 2018).

Based on interviews with several traders who were used as informants, they did not really know about this riba problem. What they know is only that it is haram. However, they have actually made efforts to avoid riba. It can be seen that in debt and receivable transactions, they do not apply an interest or additional payment system. This is normal because the debts in question are those that occurred between their relatives within a relatively short period of time. As for business financing, apart from borrowing money from relatives, they also use loan services from microfinance institutions in the form of KSPPS BMT and so on. Regarding banking services, some informants said they did not use bank services, and others said they used conventional bank services.

- Sources of State Income

The state can collect taxes and so on as a source of state income. In utilizing state revenues, the state should be flexible and based on welfare. Al-Ghazali explained: "The losses that people suffer from paying taxes are smaller when compared to the losses that arise due to the risks that may arise to their lives and property if the state cannot guarantee the feasibility of implementing them." This is the forerunner of what is now called cost-benefit analysis, namely that taxes can be levied to avoid greater losses in the future (Ayu et al., 2020).

Traditional market traders in Pekalongan Regency are subject to a levy fee, which is collected every day through market officials. They know this levy fee is a market ticket. The amount of this levy fee varies in each traditional market.

- **Public Expenditure**

The functional description of public expenditure recommended by Al-Ghazali is rather broad and loose, namely socio-economic enforcement, state security and stability, as well as the development of a prosperous society. Although he favored voluntary distribution as a way to promote socio-economic justice, Al-Ghazali allowed state intervention as an option, if necessary, to eliminate widespread poverty and hardship. Regarding the development of society in general, Al-Ghazali pointed out the need to build socio-economic infrastructure. He said that public resources should be spent on facilities and infrastructure whose benefits can be felt by the people in general (Faizal, 2015).

Public expenditure in the market in Pekalongan Regency includes operational expenditure and also fixed expenditure. Operational expenses include salaries for market officers as well as electricity, water, and gas costs. The fixed expenditure is in the form of providing and improving market infrastructure. This expenditure comes from the Pekalongan Regency APBD funds, one of the sources of which comes from regional original income in the form of levies from the traditional market itself.

### ***Traditional Markets in Pekalongan Regency in Construction SWOT Analysis***

Based on mapping and processing data obtained in the field and secondary data, a SWOT analysis of traditional markets in Pekalongan Regency can be described as follows:

- **Strengths**

These includes: (1) adequate complete products and merchandise, namely the goods and services offered meet the needs of buyers and surrounding communities; (2) adequate infrastructure, the place where traders market products and merchandise is of high quality and comfortable for sellers and consumers to carry out purchasing transactions; (3) strategic location, traditional markets in Pekalongan Regency are located in the center of the crowd and have easy road access; (4) competitive product prices, namely the prices offered are affordable for consumers; transactions can occur by haggling over prices; (5) friendly service and a family attitude.

- **Weaknesses**

These includes: (1) The quality and quantity of human resources are inadequate. Traders' skills and knowledge in managing merchandise businesses are still minimal due to a lack of education, and socialization in business management is not optimal. (2) Fund loans have not yet been provided for business actors. Capital loans for traders and sellers are still lacking; the majority of traders use their own capital or borrow from their relatives; and (3) there is a lack of guarantee of the quality of the merchandise sold. The quality of merchandise is less controlled due to a lack of proper supervision from related parties; (4) market conditions are chaotic and seem shabby. Even though there are cleaning officers and trash haulers every day, the condition of traditional markets in Pekalongan Regency still cannot be separated from the impression of being chaotic and dirty.

- **Opportunities**

These includes: (1) There is an effort by the government to provide good services in traditional markets. The government, through various related agencies, tries to provide services in traditional markets in accordance with their respective main tasks and functions; (2) there are regulations regarding traditional markets. The existing regulations are intended so that business actors in traditional markets can carry out their obligations and obtain their rights properly; (3) there is a traditional market revitalization policy in

the Pekalongan Regency RPJMD so that traditional markets are expected to continue to exist and grow in the coming years.

- Threats

These includes: (1) the rapid growth of modern markets and retail outlets. The increasing economic activity of the people of Pekalongan has caused some people to choose to shop at modern markets and retail outlets with all the advantages they have: (2) shifts in culture and community behavior. In the digital era, people can take advantage of the various electronic shopping (e-commerce) platforms they have to fulfill various needs that they previously met from traditional markets.

From the SWOT analysis above, an overview of the SWOT analysis matrix for traditional markets in Pekalongan Regency can be obtained as follows:

**Tabel 1. SWOT Analysis Matrix  
for Traditional Markets in Pekalongan Regency**

<b>S-O Strategy</b>	<b>W-O Strategy</b>
<b>Updating traditional market management in Pekalongan Regency</b>	<b>Intensify offline/online promotions</b>
<b>S-T Strategy</b>	<b>W-T Strategy</b>
<b>Increasing promotional and marketing cooperation by related stakeholders</b>	Conducting directions to business actors in traditional markets in Pekalongan Regency

*Source: Data Processed*

The results of the SWOT matrix analysis of traditional markets in Pekalongan Regency produce alternative traditional market development strategies as follows:

- S-O Strategy. Updating the management of traditional markets in Pekalongan Regency, which has been implemented with the aim of mobilizing activities between business actors and consumers as well as market development activities by the government.
- S-T Strategy. Intensify promotions, which can be carried out verbally or through mass media, both print and electronic, to promote merchandise in traditional markets. Promotion can also be carried out through organizing events, competitions, or events by the government or business actors with the aim of increasing the number of visitors to traditional markets in Pekalongan Regency.
- W-O Strategy. The strategy used is cooperation with relevant stakeholders in promoting and marketing goods and services produced by traditional markets in Pekalongan Regency so that they can be of interest to the people of Pekalongan.
- W-T Strategy. Directing business actors in traditional markets in Pekalongan Regency about the importance of knowledge in managing the products offered, maintaining cleanliness in the market environment, creativity in arranging products to make them more attractive, and more effective product marketing strategies.

## CONCLUSION

Traditional markets are an important economic sector for the people of Pekalongan Regency. Traditional markets are a place for traders to earn their living and a place for buyers to fulfill their daily needs. The conditions of traditional markets in Pekalongan Regency are generally the same as those in other areas. Where traders sell in stalls, shophouses, or overhangs. In this traditional market, you can find various types of traders selling various kinds of merchandise, including local natural resources. Traditional

markets in Pekalongan Regency are under the management of the Pekalongan Regency Government through the Department of Industry and Trade.

When viewed from Imam Al-Ghazali's perspective, traditional markets in Pekalongan Regency contain things that are appropriate and that are not appropriate. This happens because, of course, applying Imam Al-Ghazali's thoughts to traditional markets will be very difficult. The compatibility between Imam Al-Ghazali's thoughts and what exists in traditional markets is also more due to individual awareness of doing good things based on social, economic, cultural, religious, and other motives. Traditional markets in Pekalongan Regency, when viewed from a SWOT analysis perspective, have main strengths in the form of an economic sector that is vital for society, have main weaknesses in the form of seeming marginal, have main opportunities in the form of government support for traditional markets, and have main challenges in the form of shifts in people's lifestyles and the tough competition nowadays.

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