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IMPLEMENTATION OF OWNERSHIP OBLIGATIONS TRADITIONAL MARKET MANAGEMENT BUSINESS PERMITS IN ROKAN HULU REGENCY

Roy Hakim Lubis¹, Ardiansah², Bahrum Azmi³

¹²³ Magister Ilmu Hukum Universitas Lancang Kuning Pekanbaru
royhakimlubis18@gmail.com

ABSTRACT

This research aims to analyze the implementation of the obligation to own a permit and analyze the factors that hinder it as well as efforts to overcome the obstacles in Rokan Hulu Regency. This type of research is sociological/empirical legal research. The approaches used are the statutory approach, case approach and historical approach with qualitative analysis methods. The results of the research show that firstly, the implementation of permit ownership obligations has not gone well. Second, inhibiting factors: legal factors, local government officials, facilities/facilities and the community. Third, efforts to overcome obstacles: legal factors, namely that it is best to simplify the permit requirements and procedures in regulations. regional government apparatus factors, namely that the government should be able to prioritize the use of appropriate budgeting; the government should carry out frequent outreach; It would be better if there was an appropriate division of tasks for the implementation of order and law enforcement, it would be better to increase supervision and guidance so that everyone has permits. the facilities/facilities factor is that it is better to increase the budget. Community factors, namely, it is better to implement strict sanctions so that there is a deterrent effect.

Keywords: Implementation, IUP2T, Traditional Markets

ABSTRAK

Penelitian ini bertujuan untuk menganalisis implementasi kewajiban kepemilikan Izin dan menganalisis faktor yang menghambatnya serta upaya mengatasi hambatanya di Kabupaten Rokan Hulu. Jenis penelitian ini adalah penelitian hukum sosiologis/ empiris. Pendekatan yang digunakan adalah pendekatan perundang - undangan, pendekatan kasus dan pendekatan historis dengan metode analisis kualitatif. Hasil penelitian diketahui bahwa *Pertama*, Implementasi kewajiban kepemilikan Izin belum berjalan dengan baik. *Kedua*, faktor yang menghambat: faktor hukum, aparat pemerintah daerah, sarana/fasilitas dan masyarakat. *Ketiga* upaya mengatasi hambatan: *faktor hukum* yaitu sebaiknya dilakukan penyederhanaan terhadap syarat dan prosedur izin dalam regulasi. *faktor aparat pemerintah daerah* yaitu sebaiknya pemerintah dapat meletakkan prioritas penggunaan penganggaran yang tepat; sebaiknya pemerintah sering melakukan sosialisasi; Sebaiknya dilakukan pembagian tugas yang tepat untuk pelaksanaan penertiban dan penegakan hukum, sebaiknya ditingkatkan pengawasan dan pembinaan supaya semuanya memiliki izin. *faktor sarana/fasilitas* yaitu sebaiknya menambah anggaran. *faktor masyarakat* yaitu Sebaiknya dilakukan penerapan sanksi yang tegas supaya ada efek jera.

Kata Kunci: Implementasi, IUP2T, Pasar Tradisional

INTRODUCTION

The concept of granting authority to regions to regulate their own government is known as the concept of regional autonomy. Legally, the basic definition of regional autonomy is contained in Article 1 number 6 of Law Number 23 of 2014 concerning Regional Government, which states that: "Regional Autonomy is the right, authority, and obligation of autonomous regions to regulate and manage their own Government Affairs and the interests of the local community in the system of the Unitary State of the Republic of Indonesia." In regional government, there are several principles, namely, the principle of decentralization, deconcentration, and the principle of assistance. "The definition of decentralization given to regions is the transfer of government authority by the government to autonomous regions to manage and manage government in the system of the Unitary State of the Republic of Indonesia."¹

One of the affairs that is the authority of the regional government (concurrent affairs) is the trade sector. Therefore, in the regions, regulations are made regarding trade, one of which is trading activities in traditional markets, especially in Rokan Hulu Regency. Where trade in traditional markets is regulated in regional regulations must be carried out with a Traditional Market Management Business Permit (IUP2T). The obligation to obtain this permit is imposed on market managers.

According to Article 1 number 13 of Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, "Traditional Market Business Management Permit, Shopping Center Business Permit and Modern Market Business Permit are permits to be able to carry out the management of Traditional Markets, Shopping Centers and Modern Stores issued by the regional government. The function of the market is one of the centers for organizing economic and trade activities for the Indonesian people, especially traditional markets which are the mainstay of the economy of the lower middle class. Then from the cultural aspect, traditional markets have an important function other than just economic and trade activities, as stated by Fandy Tjiptono, that: "Viewed from the cultural and social cultural aspects of the Indonesian people, traditional markets are one of the entities that not only

¹ Jimly Asshiddiqie, *Konstitusi dan Konstitusionalisme Indonesia*, Edisi Kedua, Cetakan Kedua, (Jakarta: Sinar Grafika, 2011), hlm. 226.

dominate the economy and support the people's economy, but markets are also known to have responsibilities and functions that are much more complex as part of the nation's cultural system."²

Analyzing further the function of traditional markets in terms of cultural aspects, traditional markets are also a cultural heritage of Indonesia. As stated, that: "Traditional markets can be interpreted as the most strategic place in developing culture, especially the culture of interaction and communication and maintaining the sustainability of local wisdom values that have lived and developed so far in society through traditional market facilities."³ Legally, the Indonesian state respects the existence of cultural identity through the provisions of the Indonesian constitution, specifically in Article 28 I paragraph (3) of the 1945 Constitution of the Republic of Indonesia, which states that "Cultural identity and the rights of traditional communities are respected in line with developments in the era and civilization."

Considering the function of traditional markets in Indonesia as mentioned above within the framework of the Indonesian rule of law, in order to realize order and public welfare fairly and evenly, in the implementation of activities in traditional markets, laws are needed to regulate them. This is in sync with the concept of a rule of law that requires legality in every system of state life, as stated by Ni'matul Huda that "one of the important principles in a rule of law is the principle of legality."⁴ "The principle of legality is intended to provide protection to members of society from government actions. With this principle, the power and authority of government action can be predicted from the start. Government authority based on statutory provisions makes it easy for the public to know about it, so that the public can adjust to such circumstances."⁵ To regulate the organization of traditional markets, in Rokan Hulu Regency, Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores was issued.

² Fandy Tjiptono, *Strategi Pemasaran*, (Yogyakarta: Andy Offset, 2008), hlm. 87.

³ Agus Susilo dan Taufik, *Dampak Keberadaan Pasar Modern*, (Jakarta: Salemba Empat, 2010), hlm. 92.

⁴ Ni'matul Huda, *Hukum Tata Negara Indonesia*, Edisi Revisi, (Depok: RajaGrafindo Persada, 2018), hlm. 86.

⁵ Indroharto, *Usaha Memahami Undang - Undang tentang Peradilan Tata Usaha Negara (I)*, (Jakarta: Sinar Harapan, 1993), hlm. 84.

Article 8 paragraph (1) letter a of Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, regulates: "To carry out a traditional market business, it is mandatory to have a Principle Permit from the Regent or a Traditional Market Management Business Permit (IUP2T) for traditional markets". In a conceptual review, "A permit is an approval from the authorities based on law to allow certain actions/deeds to be carried out which are generally prohibited."⁶

However, the author's research results found social facts that there are still traditional markets managed by the private sector in Rokan Hulu Regency that do not have a Traditional Market Management Business Permit (IUP2T) in 2022, especially traditional markets in Rambah Tengah District, Rambah Hilir District, Kepenuhan District, Tambusai District and North Tambusai District. A similar case also occurred in Samarinda City. "In its implementation, the surprise market that has existed in Samarinda City since 1990, started from buying and selling activities at the port which developed into a traditional market. Traditional markets in Samarinda City are markets that do not have operating permits from the Samarinda City Market Service."⁷

This research is important to do because the violation of the permit has been going on for a long time, without any solution from the local government or firm action against private business actors managing traditional markets who do not have a Traditional Market Management Business Permit in Rokan Hulu Regency.

This research seeks a solution/problem solving to the problem of the existence of private parties managing traditional markets who do not have a Traditional Market Management Business Permit in Rokan Hulu Regency, so that in the future it can reduce the number of cases of violations of the licensing obligations.

RESEARCH METHODS

This research is descriptive with a sociological/empirical type of research, namely: "A legal research method that functions to be able to see the

⁶ E. Utrecht, *Pengantar Dalam Hukum Indonesia*, (Jakarta: Ichtiar, 1957), hlm. 187.

⁷ Ghufon Marsuq, "Implementasi Penataan Pedagang Kak Lima (PKL) Oleh Satuan Polisi Pamong Praja Kota Samarinda" (*Jurnal Administrasi Publik*, 2018).

law in a real sense and examine how the law works in a community environment. Because this research is examining people in living relationships in society, the empirical legal research method can also be said to be sociological legal research." ⁸ Data were collected primarily by carrying out several research steps, namely conducting direct observations, interviews with several sources related to the research object, and supplemented with secondary data. Primary data in this study were obtained from several sources, namely: Head of the Industry and Trade Service of Rokan Hulu Regency; Chairman of the Regional People's Representative Council of Rokan Hulu Regency; Head of the Civil Service Police Unit of Rokan Hulu Regency; Head of the Investment and One-Stop Integrated Licensing Service of Rokan Hulu Regency; Chairman of the Malay Customary Institution of Rokan Hulu Regency; Chairman of the Rokan Hulu Regency Market Traders Association; and traditional market managers in Rokan Hulu Regency who do not have a Traditional Market Management Business License in 2022. The approaches used in this study are the legislative approach, historical approach and case approach. The data obtained in this study were analyzed qualitatively. Meanwhile, conclusions were drawn inductively. The Industry and Trade Service of Rokan Hulu Regency was chosen as the research location on the grounds that there are still many traditional markets managed by the private sector in Rokan Hulu Regency, but do not have a Traditional Market Management Business Permit (IUP2T) in 2022, especially traditional markets located in Rambah Tengah District, Rambah Hilir District, Kepenuhan District, Tambusai District and North Tambusai District.

RESULTS AND DISCUSSION

Traditional markets function as the center of the people's economy/community economy and also function as a cultural heritage of the Indonesian nation. Mubaryo argues that: "community economy is a democratic economy that is organized and focused on the prosperity of the common people."⁹ The people's economic system is adopted in Indonesia based on Article 33 Paragraph (1) to Paragraph (4) of the 1945 Constitution of the Republic of Indonesia. Traditional markets are one form of people's

⁸ Soerjono Soekanto, *Sosiologi Suatu Pengantar*, (Jakarta: Rajawali Pers, 2012), hlm. 12.

⁹ Mubaryo, *Reformasi Sistem Ekonomi: Dari Kapitalis Menuju Ekonomi Kerakyatan*, Cetakan Ke-1, (Yogyakarta: Aditya Media, 1999), hlm. 81.

economic center that has an important role as a pillar of the people's economy, especially people with lower middle economic levels. The function of traditional markets as centers of the people's economy can be stated as follows: "*First*, considering that most of Indonesia's population is a society with lower middle income, the existence of traditional markets is very much needed to fulfill the needs of these people as buyers. *Second*, traditional markets are also very much needed as a job opportunity for traders who sell their merchandise in these traditional markets."¹⁰

Viewed from the cultural aspect, traditional markets function as a cultural heritage of the Indonesian nation. "Traditional markets are a miniature of Indonesian culture that is multicultural and passed down from generation to generation, this is a real example of the diversity of the Indonesian nation. Many ethnicities or tribes with their own characters and cultures meet then live competing and side by side to earn a living in kiosks or stalls in the market. Traders have their own uniqueness in offering their wares, but the rhythm remains harmonious".¹¹ Regarding the role of the market as a cultural heritage of the Indonesian nation, Dimaggio stated several opinions, namely: *First*, Culture forms the culture of rational actors of the market economy. *Second*, Ideas, cognitive technologies, and institutions related to creating a framework for the market economy. Therefore, culture and customs are recognized in the Indonesian constitution, namely the 1945 Constitution of the Republic of Indonesia. *Third*, Humans use culture to interpret and adapt to market relations and institutions.¹²

The implementation of traditional markets in Rokan Hulu Regency is related to licensing, which is regulated by the obligation to organize traditional market businesses, especially by private business actors in Rokan Hulu Regency, which is regulated in Article 8 paragraph (1) letter a of the Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, which stipulates that: "To carry out a traditional market business, it is mandatory to have a Principle Permit from

¹⁰ Purnamasari, *Analisis Kinerja Operasional Pasar Tradisional Kota Bekasi*, (Jakarta: PT Bumi Aksara, 2013), hlm. 78.

¹¹ Asep ST Sujana, *Manajemen Ritel Modern*, (Yogyakarta: Graha Ilmu, 2005), hlm. 87.

¹² Damsar, *Sosiologi Pasar*, (Jakarta: Prenada Media Group, 2005), hlm. 17.

the Regent or a Traditional Market Management Business Permit (IUP2T) for traditional markets."

If the legal obligation is not complied with, then administrative sanctions apply. Administrative sanctions "are sanctions that arise from the existence of a relationship between the government and citizens and which are implemented without the intermediary of a third party (judicial power), but can be implemented directly according to the administration itself."¹³ The administrative sanctions are contained in Article 12 paragraph (1) of Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, which states that: "Violations of Article 6, Article 7, Article 8, Article 9 and Article 10 of this Regent Regulation will be subject to administrative sanctions." The administrative sanctions are explained in Article 12 paragraph (2) of Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, namely: Freezing of business permits; Revocation of business permits; and/or Demolition of buildings by the justice team.

Implementation of the Obligation to Own a Business License for Traditional Market Management in Rokan Hulu Regency

Regarding the legal obligations as stipulated in Article 8 paragraph (1) letter a of the Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, which stipulates that: "To carry out a traditional market business, it is mandatory to have a Principle Permit from the Regent or a Traditional Market Management Business Permit (IUP2T) for traditional markets" based on observations made by the author in its implementation has not been carried out properly.

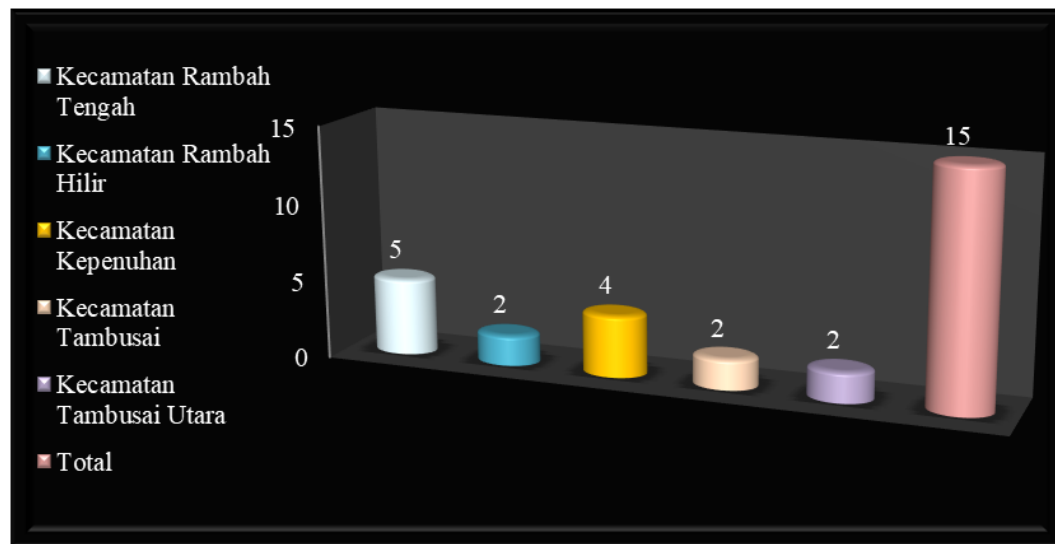
This is reinforced by the results of the author's interview with the Head of the Industry and Trade Service of Rokan Hulu Regency, in this case represented by the Head of the Trade Division of the Industry and Trade Service of Rokan Hulu Regency. In the interview, he stated that: "In recent years, especially in

¹³ Ivan Fauzani Raharja, "2064-Article Text-4073-1-10-20150302," *I VII*, no. Ii (2014): 117-38, <https://media.neliti.com/media/publications/149884-ID-kajian-viktimologi-terhadap-anak-sebagai.pdf>.

2022, his party still found the reality in the field that several traditional market business actors who have the status of traditional markets managed by the private sector in Rokan Hulu Regency still do not have a Traditional Market Management Business Permit, even though the permit is mandatory and regulated in the Rokan Hulu Regent Regulation. Violators of the licensing obligations are private parties because most of the traditional markets in Rokan Hulu Regency are owned and managed by the private sector. For traditional markets owned by the government and managed directly by the government, all have been accompanied by a Traditional Market Management Business Permit. Several obstacles actually come from the business actors so that the problem of the absence of the permit still often occurs until now."¹⁴

Based on the results of the author's interview with the Industry and Trade Service of Rokan Hulu Regency, it is known that the number of traditional markets in Rokan Hulu Regency operates without a Traditional Market Management Business License based on its location. The author presents this number in the form of a graph below:

Figure 1. Number of Traditional Markets in Rokan Hulu Regency Operating Without IUP2T in 2022 Based on Location



Data Source: Department of Industry and Trade of Rokan Hulu Regency, processed in 2023

¹⁴ Hasil Wawancara Penulis dengan Kepala Dinas Perindustrian dan Perdagangan Kabupaten Rokan Hulu, Dalam Hal Ini Diwakili Oleh Bapak Yasmin, M. Pd, Selaku Kepala Bidang Perdagangan Dinas Perindustrian dan Perdagangan Kabupaten Rokan Hulu, Pada Hari Rabu, Tanggal 10 Mei 2023, Pukul 09. 30 WIB, di Kantor Dinas Perindustrian dan Perdagangan Kabupaten Rokan Hulu.

In practice, the sanctions applied to violators are only written warnings. This statement is reinforced by the results of the author's interview with the Head of the Rokan Hulu Regency Civil Service Police Unit, in this case represented by the Head of the Operational and Security Division of the Rokan Hulu Regency Civil Service Police Unit. In the interview, he stated that: Considering many things, especially humanitarian factors and the needs of the lower middle class, the dissolution/demolition of traditional market buildings managed by traditional market business actors who do not have a Traditional Market Management Business Permit has never been implemented by his party. The sanctions applied are only written warnings to the market managers."¹⁵

Some of the cases are described by the author as follows: *First*, Management of traditional markets in Rambah Tengah District by LOs who do not have a Traditional Market Management Business License. Where based on the results of the author's interview with the private sector managing traditional market business activities without a Traditional Market Management Business License in Rambah Tengah District. In the interview, he stated that: "His party is constrained by the problem of the Amdal results from the Rokan Hulu Regency Environmental Service which stated that the application requirements were not met so that they were not issued by the agency. The Pekanbaru City Civil Service Police Unit has reminded his party several times and for years to immediately have a Traditional Market Management Business License that it manages, but his party has not been able to fulfill this obligation."¹⁶

Second, the management of traditional markets in Rambah Tengah District by AR who does not have a Traditional Market Management Business License. Where based on the results of the author's interview with the private sector managing traditional market business activities without a Traditional

¹⁵ Hasil Wawancara Penulis dengan Kepala Satuan Polisi Pamong Praja Kabupaten Rokan Hulu, Dalam Hal Ini Diwakili Oleh Bapak Rio Pratama, S. STP., M. Si, Selaku Kepala Bidang Operasional dan Pengamanan Satuan Polisi Pamong Praja Kabupaten Rokan Hulu, Pada Hari Senin, Tanggal 12 Juni 2023 di Kantor Satuan Polisi Pamong Praja Kabupaten Rokan Hulu.

¹⁶ Hasil Wawancara Penulis dengan LO, Selaku Pengelola Pasar Tradisional di Kecamatan Rambah Tengah yang Tidak Memiliki IUP2T, Pada Hari Senin, Tanggal 19 Juni 2023, Pukul 16.30 WIB, di Pasar Tradisional yang berlokasi di Wilayah Kecamatan Rambah Tengah.

Market Management Business License in Rambah Hilir District. In the interview, he stated that: "His party is constrained by the problem of the requirements for processing the procedures for submitting an application for a Traditional Market Management Business License which are quite numerous and he feels that not all of these requirements can be met. The Rokan Hulu Regency Civil Service Police Unit has reminded his party several times and for years to immediately have a Traditional Market Management Business License that it manages, but his party has not been able to fulfill this obligation."¹⁷

Regarding the existing problems, the author's analysis is: *First*, the hope of the concept of regional autonomy in implementation in Rokan Hulu Regency where the region is expected to be able to increase competitiveness by paying attention to the principles of democracy, equality, justice, privileges and special characteristics as well as the potential and diversity of the Region in the Unitary State system of the Republic of Indonesia, can be explained as follows:

a. Principles of Democracy

"Democracy is a process towards and maintaining a civil society that respects and seeks to realize democratic values." The principle of democracy in the implementation of traditional markets in Rokan Hulu Regency is people's economic democracy with the arrangement, development and supervision of traditional markets in Rokan Hulu Regency, one of which is through licensing arrangements, namely the Traditional Market Management Business Permit. However, this principle cannot be realized without good cooperation between the local government, stakeholders and the community who are the objects of law. The proof is that there are still 15 private parties managing traditional markets in Rokan Hulu Regency who manage traditional markets and are still operating to this day without having a Traditional Market Management Business Permit.

b. Principle of Equality

The principle of equality captured by the author in accordance with the focus of this research is the equality of community welfare in

¹⁷ Hasil Wawancara Penulis dengan AR, Selaku Pengelola Pasar Tradisional di Kecamatan Rambah Tengah yang Tidak Memiliki IUP2T, Pada Hari Senin, Tanggal 19 Juni 2023, Pukul 16.00 WIB, di Pasar Tradisional yang berlokasi di Wilayah Kecamatan Rambah Tengah.

the economic sector through the organization of traditional markets in Rokan Hulu Regency. In fact, according to the author, the principle of equality has not been implemented properly because the level of legal compliance of private parties managing traditional markets in Rokan Hulu Regency has not shown the principle of equality because there are still 15 traditional markets that have not been organized by private managers with ownership of Traditional Market Management Business Permits. The emergence of legal compliance begins with legal awareness. "Legal awareness is the awareness or values contained in humans about existing laws or about laws that are expected to exist."¹⁸

Then, in several locations where traditional markets were established without private ownership of traditional market managers in Rokan Hulu Regency who manage traditional markets and are still operating to this day without having a Traditional Market Management Business Permit, this has actually resulted in economic problems, namely a decrease in the income of small business actors who have shops/stalls/stalls around the establishment of the traditional market due to unreasonable selling prices (too cheap compared to the standard market price) applied by traders in these traditional markets.

c. Principle of Justice

"Justice that must be restored by law according to John Rawls's terms is reasonably expected to be everyone's advantage"¹⁹. However, in this case, justice has not been realized because administrative sanctions have not been applied to traditional markets that operate without having a Traditional Market Management Business Permit in accordance with the provisions of Article 12 paragraph (1) and paragraph (2) of the Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Development and Supervision of Traditional Markets, Shopping Centers and Modern Stores, in the form of demolition of buildings by the justice team. So it is unfair to private parties managing traditional markets that already have a Traditional Market Management Business Permit.

¹⁸ Soerjono Soekanto, *Kesadaran Hukum dan Kepatuhan Hukum*, Edisi Pertama, (Jakarta: CV Rajawali, 1982), hlm, 152.

¹⁹ John Rawls, *A Theory of Justice*, (Harvard University Press Cambridge Massachusetts, 1971), hlm. 60.

- d. The principle of regional potential and diversity in the Unitary State system of the Republic of Indonesia

"In a unitary state, the responsibility for implementing government tasks basically remains in the hands of the central and regional governments in the concept of decentralization." This is especially in the field of guidance and supervision. Efforts to implement the arrangement, guidance and supervision of traditional market activities in Rokan Hulu Regency are a manifestation of the local government in preserving cultural values in traditional markets which are part of the diversity of regional cultures in the Unitary State System of the Republic of Indonesia. This means that the birth of Rokan Hulu Regent Regulation Number 15 of 2011 concerning the Arrangement, Guidance and Supervision of Traditional Markets, Shopping Centers and Modern Stores is a protection of the local government through law for the preservation of cultural values in traditional markets. However, if assessed from the perspective of regulating the obligation to own a permit for a Traditional Market Management Business Permit which is generally part of an effort to preserve cultural values, the author states that the principle of regional potential and diversity in the Unitary State system of the Republic of Indonesia has not been implemented properly because there are still 15 traditional markets that have not been managed by their managers with ownership of a Traditional Market Management Business Permit.

Second, function and purpose of permits from another theoretical perspective along with the author's opinion are as follows:

- a. Instruments for Government Development Engineering

"In this case, permits can create regulations and decisions that provide incentives for socio-economic growth. Likewise, these regulations and decisions can also be obstacles to development."²⁰

Related to the problems in this thesis research, the author states that the regulation and decision on the obligation to organize traditional markets by the private sector accompanied by the ownership of a Traditional Market Management Business Permit are obstacles, because there are still private parties managing traditional markets in Rokan Hulu Regency who do not have such markets. Development is supported by Human Resources factors, one of which comes from the community, non-compliance with the law by traditional market managers as the community shows that Human

²⁰ Vera Rimbawani Sushanty, *Hukum Perijinan. Loc. Cit.*

Resources development has not been implemented which then has an impact on fiscal development.

b. Licensing Budgeting Has a Financial Function

"In this case, licensing can be a source of income for the state. The granting of licenses and permits to the community is done with counter-performance in the form of licensing fees."²¹

Related to the problems in this thesis research, the author states that Budgeting through the implementation of licensing has not been fulfilled properly. Licensing in the concept of Traditional Market Management Business License is the basis for tax collection and levies, both business taxes, market facility usage levies and parking levies. This is considering the fact that there are still private parties managing traditional markets in Rokan Hulu Regency who do not have a Traditional Market Management Business License.

c. Regulerend Licensing Has a Regulatory Function

"In this case, permits can be an instrument for regulating the actions and behavior of the community in order to control government activities in certain matters where the provisions contain guidelines that must be implemented by the permit holder or by authorized officials."²² Related to the problems in this study, the author states that the regulatory function owned by licensing has not been implemented properly considering that there are still private parties managing traditional markets in Rokan Hulu Regency who do not have a Traditional Market Management Business License. The low level of legal compliance of private parties managing traditional markets in Rokan Hulu Regency regarding the obligation to organize markets which must be accompanied by a Traditional Market Management Business License shows that regulations and licensing functions have not been able to regulate community trading activities as they should.

Factors Inhibiting the Implementation of the Obligation to Own a Business License for Traditional Market Management in Rokan Hulu Regency

The inhibiting factors are *First, legal factors*: the requirements and procedures for permits in the regulations are too many and difficult. *Second,*

²¹ *Ibid.*

²² *Ibid.*

local government apparatus factors: the management of the budget management of the Industry and Trade Service is not quite right; legal socialization is rarely carried out; limited personnel of the local Satpol PP; the quality of service of the local Integrated Investment and Licensing Service is not good; Lack of supervision and guidance; Sanctions given by the local Satpol PP do not have a deterrent effect. *Third, facility factors:* minimal local government budget. *Fourth, community factors:* low compliance and understanding of the law in the community; low legal knowledge in the community.

Efforts to Overcome Obstacles to Implementation of Obligations to Own Business Permits for Traditional Market Management in Rokan Hulu Regency

Efforts to overcome obstacles are *first, legal factors:* it is better to simplify the requirements and procedures for permits in regulations. *Second, regional government apparatus factors:* The government should be able to prioritize the use of appropriate budgeting; The government should often conduct socialization; It is better to divide tasks appropriately for the implementation of order and law enforcement; It is better for business service officers to improve the quality of their services; It is better to increase supervision and guidance so that all have permits; It is better to demolish traditional markets that do not yet have permits. *Third, facility factors:* it is better to increase the budget. *Fourth, community factors:* It is better to apply strict sanctions so that there is a deterrent effect; it is better to conduct legal socialization.

CONCLUSION

1. Implementation of the obligation to own a permit in Rokan Hulu Regency has not gone well. This is proven by the fact that there are still private parties managing traditional markets that do not have a Traditional Market Management Business Permit, especially traditional markets in Rambah Tengah District, Rambah Hilir District, Kepenuhan District, Tambusai District and North Tambusai District.
2. Inhibiting factors: legal factors, local government officials, Facilities and the community.
3. Efforts to overcome obstacles: legal factors, namely that the requirements and procedures for permits in regulations should be simplified. local government officials factors, namely that the government should prioritize the use of appropriate budgeting; the government should often conduct

socialization; it is better to divide tasks appropriately for the implementation of order and law enforcement; it is better for licensing service officers to improve the quality of their services; it is better to improve supervision and guidance so that all have permits; it is better to demolish traditional markets that do not yet have permits. facilities factors, namely that the budget should be increased. community factors, namely that strict sanctions should be applied so that there is a deterrent effect; it is better to conduct legal socialization.

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