

Horas Market In Pematang Siantar: Power Dynamics In Urban Space Transformation (A Case Study of Governmentality in The Development of Horas Market in The City Ceter)

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ABSTRACT

This study explores the dynamics of power surrounding the development of Horas Market in the city center of Pematang Siantar through the lens of governmentality. Positioned as a central economic and social hub, Horas Market has undergone various transformations influenced by political, economic, and bureaucratic forces. Utilizing Michel Foucault's concept of governmentality, this research examines how state and non-state actors exercise power and control over urban space, influencing not only the physical structure of the market but also the behaviors, livelihoods, and interactions of its stakeholders. Through qualitative methods, including interviews, field observations, and document analysis, the study reveals how power is negotiated, contested, and maintained in the name of urban order, modernization, and public interest. The findings highlight the complex interplay between governance, spatial politics, and the lived realities of market users, contributing to broader discourses on urban development and state control in Indonesian cities.

Keywords: Horas Market, Governmentality, Urban Space, Power Dynamics, Urban Development, Pematang Siantar, State Control, Public Space, Market Transformation, Spatial Politics.

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1. INTRODUCTION

Horas Market is one of the largest traditional markets in Pematang Siantar City, alongside Dwikora Market, also known as Parlu Market due to its location in the Parluasan area. Like other traditional markets, Horas Market is essentially a venue for commerce—an arena of transactional encounters between sellers and buyers, as defined by the Indonesian Dictionary (KBBI) in two senses

(<https://www.kbbi.web.id/pasar>, accessed January 14, 2024). The first definition refers generally to a place or venue where buying and selling transactions occur. The second, from an economic standpoint, recognizes the market as a multi-dimensional concept: first, as a domain of power involving demand and supply; second, as a space where buyers and sellers engage in transactions of goods and services. In the language used by Smith, the traditional market is referred to as a "marketplace," a place or arena where people conduct trade (Smith:651).

Thus, traditional markets are closely tied to both time and space, as these two dimensions are tangibly present in such settings. The social atmosphere of Horas Market is not unlike that of other traditional markets. When visited, Horas Market is bustling and lively, crowded with visitors—both buyers and sellers—especially in the morning. In specific areas such as the fish and meat sections, there are distinctive smells, a sense of stuffiness, disarray, and uncleanness, as illustrated in Appendix 2 (Sastra, 2018:9). Horas Market appears to be the largest and most comprehensive traditional market in Pematang Siantar, aside from Dwikora Market in the Parluasan area. The Horas Market complex stands grandly with four main buildings on a land area of 24,771 square meters, housing 3,419 stalls at the time it was inaugurated by North Sumatra Governor Kaharuddin Nasution on August 6, 1983, with a construction cost of IDR 4,257,000,000 (Hasugian, 2015; Sitorus et al., 2023).



Strategic Location of Horas Market Area

The location of Horas Market is considered both strategic and political, given that traditional markets in Pematang Siantar are situated in the city center, close to governmental power, spanning two main roads in the city center—Sutomo Street and Merdeka Street. Horas Market stretches from Sutomo Street to Merdeka Street, flanked by shops along both streets, up to the railway line boundary toward Wahidin Street. As shown in Figure 1, the distance from Horas Market to the City Hall of Pematang Siantar via Sutomo Street is only 2.3 km or a 6-minute drive. Horas Market and City Hall are on the same block along Merdeka Street. At that time, the North Sumatra Provincial Government built a Horas Market complex covering 2,868 square meters, stretching from Sutomo Street to Merdeka Street. Moreover, the government built a shopping arcade with 52 storefronts on Surabaya Street. The expansion and renovation of Horas Market began on October 24, 1981, by Governor E.W.P. Tambunan. Based on feasibility studies, the development evolved into a four-building complex covering 24,771 square meters with 3,419 stalls, which explains why Horas Market rapidly grew and became a symbol of Pematang Siantar City, with the slogan "Sapangambe Manoktok Hitei," meaning "working together to achieve the ultimate goal" (<https://medan.tribunnews.com/2021/06/03/sejarah-berdirinya-pasar-horas-ikon-kota-dan-pusat-ekonomi-rakyat-pematangsiantar>, accessed January 17, 2024)

In his book *Pengantar Sosiologi Pasar* (Introduction to Market Sociology), Damsar explains that numerous studies have discussed traditional markets as a market phenomenon (Damsar and Indrayani:16). The market phenomenon includes several aspects. First, the market relates to the spatial dimension—*marketplace*. Second, it connects to the temporal dimension—*time*. These two dimensions are complementary, integrated, and interconnected. For instance, when a buyer seeks a particular item at a stall but it is unavailable there, yet available at another stall, both space and time dimensions come into play to create a competitive opportunity in Horas Market. During the COVID-19 pandemic, for example, many people sought masks and hand sanitizers; or during the recent surge in cooking oil prices, time and space played a critical role. Space determines, but so does time—when both align, opportunities are created for sellers and buyers to meet.

Horas Market is a place where people trade, where buyers and sellers meet, and where transactions occur not only between buyers and sellers but also among traders themselves. Like most traditional markets, Horas Market is one of the key traditional markets in Pematang Siantar City, comparable to traditional markets such as those in Mojokuto and Tabana (Geertz, 1989), or the traditional market in Onan Ganjang – Humbang Hasundutan (Simanjuntak, 2005). As a traditional market, Horas Market provides essential commodities needed by the community, including staple goods (the so-called “sembako”), such as sugar, milk, cooking oil and butter, kerosene, rice, salt, corn, chicken eggs, and various meats—chicken, goat, pork, beef, and buffalo.

In addition to everyday household needs, Horas Market also offers items specifically catering to the urban population. First, ready-to-eat foods are available, such as *mieso* vendors, chicken noodle vendors, *cendol* vendors, and local eateries. Second, clothing needs are met, including textile and bag sellers, *ulos* sellers, as well as tailors and ironing services. Third, a variety of fruits are sold. Fourth, general goods (kelontong) shops supply daily necessities such as soap, toothpaste, shampoo, and so on. Fifth, there are also jewelry vendors selling gold, silver, and other ornaments.

Over time, Horas Market has undergone a shift in function—from a traditional market under the management of the Pematang Siantar City Government’s Market Agency to a regional company named *Perusahaan Daerah Pasar Horas Jaya* (PDPHJ), based on Regional Regulation No. 5 of 2014 concerning the Regional Company Pasar Horas Jaya, dated October 20, 2014. Based on this legal foundation, the Mayor issued Perwa (Mayor Regulation) No. 08 of 2015, dated April 28, 2015, to implement the regional regulation. However, this regulation was later revoked by Perwa No. 36 of 2020. On the other hand, the Mayor issued another regulation—Perwa No. 7 of 2016 concerning the income of the board of directors of PDPHJ, dated March 30, 2016, and signed by the Acting Mayor of Pematang Siantar.

Article 4 of Regional Regulation No. 5/2014 explicitly states the objectives of PDPHJ: first, to support the City Government’s policy in providing employment opportunities and improving public welfare; second, to contribute to the region’s development and economic growth. Both Perda No. 5/2014 and Perwa No. 8/2015 affirm that PDPHJ is wholly owned by the Pematang Siantar City Government (Article 1, item 6 of Perda No. 5/2014 and Article 1, item 8 of Perwa No. 8/2015). Article 54 also outlines the profit-sharing (dividend) structure as follows: 30% to the local government, 20% to the board of directors, 10% for employee training, 10% for production incentives, 25% for general reserves, and 5% for retirement benefits. This profit distribution structure seems to indicate that Horas Market’s profits are largely controlled by the company’s ownership. Whether or not this legal framework for profit distribution makes Horas Market highly attractive and “resource-augmenting”—in addition to its physical assets such as the extensive parking lots on both Merdeka and Sutomo streets—is a question worth exploring.

In Regional Regulation (Perda) No. 5 of 2014, Article 8 states that there are two bodies within PDPHJ: the Supervisory Board, the Board of Directors, and their work units. However, a significant and influential role has also emerged, held by the Mayor of Pematang Siantar. Article 6 discusses the capital of Pasar Horas, which is divided into two categories: basic capital contributed by the Pematang Siantar City Government and capital in the form of assets. Several points regarding capital participation are outlined in Perda No. 5/2014.

First, the basic capital is set at IDR 1 trillion. Second, capital contributions to PDPHJ were made in two phases: first amounting to IDR 50 billion and second amounting to IDR 419,011,806. Third, Point 4 mentions that the transfer of assets as capital is to be carried out gradually. Despite the growth and substantial capital of Pasar Horas, it has still not been able to finance its own operational needs. This raises the question: how can Pasar Horas fulfill its original purpose of supporting the Pematang Siantar City Government—for instance, by creating jobs and improving the welfare of Pematang Siantar residents?

Based on the above documentation, one must ask why, after approximately ten years as a regional enterprise in Pematang Siantar City, Pasar Horas is still unable to sustain its own needs, especially considering the significant capital and asset injections entrusted to it by the City Government.

The upgrading of its legal status was expected to enable Pasar Horas, as the largest market in Pematang Siantar, to take part and play a role in the city's development process. This is aligned with the establishment goals of PDPHJ as stated in the regulation: first, the official founding of the Regional Company Pasar Horas Jaya through the merger of the Pasar Horas and Pasar Dwikora in Parluasan, intended to assist the city government in driving the local economy and generating regional income.

Second, the transfer of company assets was accompanied by capital injections included in the Regional Revenue and Expenditure Budget (APBD) of Pematang Siantar City as equity participation in the Regional Company Pasar Horas Jaya. The establishment also set forth the transfer of areas under PDPHJ's authority, including all of Pasar Horas, all of Pasar Dwikora, Siantar Square, Pasar Tozai, and Vandelvad Street where the tailor stalls are located.

Third, under legal justifications, the Pematang Siantar City Government carried out political budget interventions by allocating investments to Pasar Horas twice through the 2018 and 2019 APBDs. The rationale includes: first, Government Regulation No. 58 of 2005 Article 118 paragraph (3), which allows local governments—in this case, the Pematang Siantar City Government—to make investments. Hence, capital injections were included in the 2018 and 2019 APBDs. Second, Law No. 23 of 2014 Article 339 paragraph (1) states that regional governments, as the owners of regional-owned enterprises (BUMD), are permitted to provide equity participation to fulfill the 51% ownership requirement. The Pematang Siantar City Government allocated investments to Pasar Horas totaling IDR 3.5 billion in the 2018 APBD and IDR 2 billion in the 2019 APBD. However, the document clearly indicates the names of the Mayor and Deputy Mayor ([source](#)).

However, Pasar Horas should not be viewed merely as a traditional market. As one of the regional companies (*perusahaan daerah*) of Pematang Siantar City, Pasar Horas is expected to play a broader role in the city's development—as a “franchise company” or even a megamall that can support and assist the city, especially the City Government, in advancing and improving the welfare of its residents.

Global economist Joseph Stiglitz emphasized the importance of the market in the development vision for developing countries. He argued that Gross Domestic Product (GDP) is not the ultimate measure of development, as GDP may not align with environmental sustainability, morality, justice, or even public health, as evidenced in Papua New Guinea (2007:101–105). Furthermore, Stiglitz highlighted that during the administrations of Thatcher and Reagan, there was frequent emphasis on

enhancing the role of traditional markets. He even asserted that the role of the market became paramount to the point of "removing government" in favor of privatization and liberalization (2007:104–105).

A similar view was expressed by Cardoso, who, in his theory of "spatial and sectoral dualism" in developing countries such as Brazil and Argentina, introduced the concept of the "development of underdevelopment" (Peet, 1999:107–111; Suwarsono and So, 1994:133–139). Not only Stiglitz and Cardoso emphasized the importance of traditional markets in sustainable development, but several studies—including by Florek and Gazda (2021:1277), Major and Tannous (2020:7154), and Aliyah, Setioko, and Pradoto (2017:41–51)—have also demonstrated the link between traditional markets and development. These markets affect social, environmental, ecological, and economic aspects, all of which are integral to the concept of sustainable development.

Pasar Horas appears not only to serve the daily, secondary, or luxury needs of city residents, but also to play several roles that give deeper meaning for the people and the government of Pematang Siantar.

First, as the most well-known traditional market in the city, Pasar Horas has grown into the largest market in a strategic location—near the axis of power, right in the center of Pematang Siantar.

Second, Pasar Horas is no longer merely a traditional market, as it is no longer managed by the City Government's Market Department. Instead, it has been elevated to function as a regional company.

Third, as the icon of Pematang Siantar, Pasar Horas is expected to strengthen cooperation between the government and the community—through publicizing job opportunities, boosting household income, alleviating poverty, and providing a platform to market various handcrafted products, souvenirs, food and beverages, textiles, and clothing.

These roles cannot be separated from the City Government's significant involvement in the management of Pasar Horas as a regional company, as reflected in its legal establishment. Thus, the so-called traditional market—as an arena of trade, goods exchange, and commercial transactions—holds immense significance in Pematang Siantar City (Platter, 1985; Penny, 1990; Hefner, 2000; Damsar and Indrayani, 2018; Nastiti, 2003; Sastra, 2018).

As is commonly known, Pasar Horas contains essential components or elements similar to those found in other traditional markets. First, there are trade transactions between sellers and buyers, as is typical in traditional markets. Second, the prices of goods are not fixed but open to bargaining. Third, there is a market organization or body that manages market conditions. Fourth, there are commodities being traded. Fifth, there are both temporary and permanent structures within the market. Sixth, there are actors who participate and take on roles in the market. Seventh, there is a specific spatial and temporal dimension to the market (Khandelwal, 2020:11; Damsar: 81–132).

However, in the case of Pasar Horas—though it is a traditional market—it has now officially become a regional company, and there appear to be other components that are particularly interesting to study. As a regional company, Pasar Horas is certainly strategic in terms of controlling resources and access within the market. These include, first, the circulation of finances; second, access to human resources; and third, access to other sources such as parking areas, catering services for company staff, and support through capital injection from the regional budget (APBD) of the Pematang Siantar City Government. These components, which involve power dynamics, are worthy of investigation—what are the sources of power within Pasar Horas, and how do they make it a potential arena of power?

Indeed, many studies have explored traditional markets from varying perspectives, concepts, and theoretical approaches—some of which are worth highlighting. Researcher Hanna Borgblad, in her study, still views the market as a site of social exchange, art, and vandalism as market products (2019). Borgblad sees traditional markets as being associated with vandalism and artistic exchange.

Another study is that of Martin Ludvigsson-Wallette, who applied franchising theory as developed by Combs and Ketchen (2003), Buchan (2009), Dant et al. (2008), and Banker and Dant (2008), in the context of traditional markets. Ludvigsson-Wallette employed a comparative study that observed hierarchical power and market relations (2023), although his analysis did not draw upon Foucault's concept of governmentality.

Researcher Jack Pickering emphasized the relationship between actor networks and sellers using Geertz's conceptual framework (2020). Jacqueline Daigneault studied neoliberal urban governance strategies, theories on the relationship between the informal and formal sectors, and the politics of inclusion (2020).

Another relevant study is by M. Rasda, who employed Peter Blau's social exchange theory (1975), structural theories in market sociology (Granovetter & Swedberg, 1992), and Talcott Parsons' structural theory. Rasda identified patterns of social relationships occurring through cooperative interactions, including borrowing, cash transactions, emotional exchanges, and debt among traders, buyers, and market managers — characterized by the buying and selling of goods and services. These interactions generally function smoothly due to the presence of norms, although minor conflicts do occur, but can typically be resolved (2021)

The next researchers are from Indonesia, namely Azisah and Mujahidin. Azisah indeed applied Foucault's theory, but she combined Michel Foucault's (1980) and Jürgen Habermas's (1962) theories. Azisah focused on power-holding actors in traditional markets, using Habermas's theory of the transformation of the public sphere and Foucault's concept of power among those holding positions of authority in both traditional and modern markets. She revealed that the rapid development of modern markets creates a contestation with traditional markets and also impacts market actors — ranging from farmers, collecting traders, wholesalers, and retailers — all of whom are also found in modern markets (2021). While Azisah did not apply Foucault's theory of governmentality, she used his theory on actors in the market and compared traditional and modern markets.

Mujahidin conducted research on a rice field tourism site in Pematang Johar Village, Deli Serdang Regency, from the perspective of governmentality. He found practices of governmentality carried out by the village government to gain community approval for the tourism development project (2023: xiv–xv).

Based on these research findings and literature studies, several key points emerge. First, there has not yet been a study that views the traditional market as an arena of power, although Ludvigsson-Wallette mentioned the presence of power in traditional markets. However, Ludvigsson-Wallette emphasized hierarchical power in the market, Daigneault pointed to power networks and politics of inclusion within markets, and Azisah highlighted how actors “take part” in the play of power within the market.

Second, the concept of governmentality has not yet been used as a theoretical framework to analyze traditional markets. Mujahidin used the theory of governmentality in his research in Deli Serdang, but his focus was on rural development.

Third, traditional markets, including Pasar Horas, clearly play a role in development. Fourth, traditional markets are considered important by governments in their efforts to enhance development processes. Fifth, Pasar Horas becomes even more compelling when viewed through the lens of governmentality theory, as it allows us to understand what roles are “played” by the actors, how those roles are “performed,” and what the government expects from the social dynamics occurring within Pasar Horas.

2. METHODS

This field research will use a qualitative method with a case study approach. The term "qualitative" already explicitly emphasizes that the focus and emphasis of this research do not lie in quantity, frequency, or statistical calculation; rather, it aims to examine processes, dynamics, and the meaning of social change (Denzin & Lincoln, 2018b:52; Jason & Glenwick, 2016:14–15) within natural phenomena (Yin, 2016:8–9), social situations, and events that occur in the midst of Pasar Horas in the city of Pematang Siantar. The qualitative method provides descriptions of phenomena and social situations (Creswell, 2009b:1–2) as they are, with meaningful interpretations from the perspective of Pasar Horas as a power arena. The meaning given to the phenomena, social situations, events, and their surrounding environment derives from their qualitative nature.

The qualitative method begins by asking "why" and "how" questions (Lune & Berg, 2017:12–14), making Pasar Horas an intriguing subject for research. These questions give rise to lines of inquiry aiming to understand what lies within the phenomena, social situations, and events—their forms, shapes, appearances, even their ambiance. For example, if the phenomenon is a whirlwind, then the air involved can be recorded, observed, noted, and measured in the field. According to Dabbs (1982:12), the idea of quality is crucial to the natural essence of a social situation, phenomenon, or event occurring in Pasar Horas.

Quality refers to the what, how, when, where, and why of a phenomenon in nature—its presence, the social situation, and process (Lune & Berg, 2017:139–140; Denzin & Lincoln, 2018b; Creswell, 2009b:43–44; Maxwell, 2013:33–34; Miles & Huberman:7–8). Field research (Neuman, 1997:42), as stated by Denzin & Lincoln (2018b:3), is a study conducted in a natural setting aiming to understand and interpret phenomena according to the researcher's interpretation (Merriam, 2009:13–14; Creswell, 2009a:1, 81). In other words, according to Denzin & Lincoln (2018b:3, 43), qualitative research is a situated activity that locates the observer in the world. From this view, interpreting the world through observation transforms the world into a sequence of representational practices such as interviews, recordings, memos, field notes, documentation, and videos. In qualitative research, the researcher applies an interpretative approach to understanding social phenomena and situations as they are perceived and given meaning by individuals.

Denzin & Lincoln (2018b:43) further state that qualitative research involves the study and collection of various empirical materials—case studies, personal experiences, introspections, life stories, interviews, artifacts, and cultural productions, as well as observational, historical, interactional, and visual texts—which describe routine and problematic moments and meanings in individuals' lives (Wimmer &

Dominick, 2014:48–49). Likewise, Miles & Huberman (2014:7–8) explain that qualitative data collection and analysis rely on observation, interviews, documents, and artifacts. This study will use observation, interviews, documentation, field notes, and triangulation techniques.

Yin (2016b:8–11) outlines five aspects of qualitative methods. First, qualitative research focuses on meaningful and realistic community life. Second, unlike other methods, it tends to represent the general perspectives of participants. Third, it is contextual, capturing the continuity of community life, such as the social situation and phenomena in Pasar Horas, Pematang Siantar. Fourth, qualitative methods do not merely record chronological events but portray the actual occurrences. Fifth, it emphasizes data collection, data presentation, and data triangulation. Therefore, qualitative research produces descriptive accounts in the form of meanings, concepts, definitions, distinctive characteristics, comparisons, and symbols based on information and data from informants, field notes, observations, interviews, and documentation.

The qualitative method with a case study approach is a way to investigate the status of a group of people, an object, a condition, a system of thought, or an event in the present time through accurate interpretation. A case study is a research approach where one or several instances of a phenomenon are studied in-depth (Stake, 1995:xi; Merriam, 2009:39–54; Yin, 2016:7–8; Johansson, 2007:48–54). Blatter, as cited in Given (2008:68–71), defines the case study as a dominant research approach in the early development of modern social science. Creswell (2009b:97) describes it as a variation of ethnography where the researcher provides an in-depth exploration of a bounded system (e.g., activity, event, process, or individual) through extensive data collection. A case study is a strategy of inquiry in which the researcher explores a program, event, activity, process, or one or more individuals in depth. The case is bounded by time and activity, and the researcher collects detailed information using a variety of data collection procedures over a sustained period

A. Research Method

This study employs a **qualitative method with a case study approach**, which supports the understanding of complex social, cultural, and educational processes. According to Blatter in Given (2008), a case study involves in-depth and broad exploration of one or more phenomena. Yin (2014) adds that although case studies focus on a specific phenomenon or unit of analysis, their boundaries are not strictly defined. Bungin (2015) emphasizes that case studies are detailed, comprehensive, and intensive.

Merriam (2009) views case studies as a form of qualitative research characterized by the search for meaning, with the researcher as the main instrument, using inductive

strategies and yielding descriptive findings. Miles and Huberman (2014) define a case as a phenomenon in a bounded context, serving as the unit of analysis.

Qualitative research helps to interpret social phenomena based on context and the participant's perspective. In this study, **Pasar Horas** is seen as an arena of power, and understanding it requires acknowledging participants as key data sources. According to Creswell (2008), qualitative research includes interviews, observations, documents, and audiovisual materials. Wimmer and Dominick (2014) list techniques like focus groups, field observation, in-depth interviews, and ethnography.

The rationale for using qualitative methods in this study includes:

1. **Pasar Horas is dynamic**, having transformed from a market under municipal authority to a regional enterprise.
2. The **governmentality approach**, which is difficult to quantify, is suitable for qualitative exploration.
3. To uncover **power dynamics and actors involved**, qualitative methods are essential.

B. Research Location and Timeline

The study takes place at the office of **PD Pasar Horas Jaya** on Jl. Iman Bonjol No. 1, Pematang Siantar, North Sumatra. The site is strategically and politically significant, having been established by the Mayor and supported by the local parliament.

Preliminary research began on **January 5, 2024**, and continues until **December 2024**, in a staged and ongoing manner.

C. Research Design

This research emphasizes **process, descriptive analysis, and strategy**, particularly focusing on **human resource development** strategies at PD Pasar Horas Jaya, with a **governmentality perspective**.

D. Data Sources

Data sources are crucial. According to Miles & Huberman (2014) and Creswell (2018), **qualitative data** includes interviews, observations, documents, and audiovisuals. These are open-ended, and data must be carefully collected and preserved.

Data types include:

- 1) **Primary data**: from direct observation, interviews, and documentation.
- 2) **Secondary data**: summarized or interpreted forms of primary data.

Schrieber (in Given, 2008) and Flick (2009) classify qualitative data as **verbal** (e.g., interviews, fieldnotes, open comments) and **non-verbal** (e.g., maps, photos, videos). Each type has its strengths depending on research needs.

a) Research Informants

Informants in qualitative research are **those who provide key information**. Instead of using "samples", qualitative research refers to "informants".

Key informants (Spradley, 1979; Bagong, 2005) are individuals who provide **insightful, deep, and often hidden information**. They may also be participants in the research.

Informants for this study include directors, former directors, staff, vendors, kiosk renters, and market observers. Examples include:

- 1) Bolmen Silalahi (CEO, 2022–2026)
- 2) Yusrizal Lubis (General Director)
- 3) Toga Sehat Sihite (Former CEO)
- 4) Market traders and kiosk renters
- 5) Observers like Jalatua Hasugian and Lipi Tambunan

b) Fieldnotes

Fieldnotes document **observations, events, and researcher reflections**. Merriam (2009) and Yin (2016) emphasize their importance in qualitative studies. Brodsky and Flick suggest fieldnotes should capture not just data but also the researcher's thoughts and interpretation processes. They form part of a **research diary**, making the analysis more transparent and structured.

E. Snowball Technique

This technique involves gathering data **progressively from one informant to another**, like a snowball growing larger. As Patton (2002) and Given (2008) explain, this method helps identify actors involved in **complex social settings**, such as Pasar Horas. It starts with general data sources and proceeds to more knowledgeable key informants through **referrals, networks, and direct interactions**.

3. FINDINGS AND DISCUSSION

Findings:

A. **Governmentality in Market Development:** The development of Horas Market has been heavily influenced by governmental practices, which can be

understood through the lens of *governmentality*. Governmentality refers to the ways in which the state exercises control over its population and territory, focusing not only on direct governance but also on shaping individuals' behaviors through policies and urban planning. The central government, local municipal authorities, and other stakeholders (such as private investors) have used strategic interventions to shape the market's development, from zoning regulations to spatial redesigns, aiming to create a structured environment that facilitates economic activities while also asserting state control over urban space.

- B. **Economic and Social Functions of the Market:** Horas Market serves as both an economic hub and a social gathering space. Economically, it is crucial for local commerce, supporting a variety of microenterprises, from traditional vendors selling agricultural produce to small-scale service providers. Socially, it functions as a place for community interaction and exchange, not only fostering commerce but also cultivating a shared sense of local identity. The transformation of the market into a more regulated space, however, has led to the displacement of certain informal vendors, thus shifting the social dynamic within the market.
- C. **Urban Space Transformation and Power Dynamics:** The transformation of Horas Market is emblematic of broader power dynamics in urban development. The interventions by local government officials reflect an exercise of power that prioritizes the city's image and economic modernization over the existing informal practices. The decision to modernize and "formalize" Horas Market includes upgrading infrastructure, enforcing regulations on vendors, and redesigning public spaces to attract more consumers. This process has involved a negotiation between the market's original, informal character and the vision of the government for a more regulated, commercially driven space. This shift is indicative of the exercise of biopower, where the government attempts to control and structure the behavior of market participants to optimize the flow of capital.
- D. **Legal and Institutional Impacts:** The legal frameworks surrounding the management and development of the market have also played a pivotal role in shaping its transformation. The local government's imposition of zoning laws, business licenses, and sanitary regulations represents a shift toward formal governance in what was previously a largely informal space. This legal codification of the market's operation marks a clear distinction between the 'informal' and 'formal' economies and reflects an attempt to centralize economic

control within the city. However, this shift has also led to resistance and challenges, particularly from long-standing vendors who are less able to comply with the new regulations, thus creating a power imbalance between the state and market participants.

- E. **Displacement of Informal Vendors:** One of the most significant consequences of the urban transformation of Horas Market is the displacement of informal vendors. As the market undergoes formalization, many smaller, informal traders are unable to meet the new requirements, such as licensing and physical relocation within the market. This exclusion of informal vendors highlights a power dynamic where the state's desire for modernization and regulation overrides the livelihoods of those operating in the informal sector. This shift also disproportionately affects marginalized groups who depend on informal markets as a primary source of income. In this case, governmental control is exercised not only through physical infrastructure but also through the regulation of access to economic opportunities.
- F. **Political and Institutional Resistance:** Despite the government's efforts to exert control, there have been instances of resistance from various stakeholders, including informal vendors, local community organizations, and political actors. Some vendors have contested the government's decision to move them out of the market or change the market's operating hours and structure. This resistance reflects the tension between the government's desire for urban order and the lived realities of those who depend on the market for their economic survival. The resistance can be understood as a form of counter-power, where marginalized groups challenge the authority that seeks to reshape the market in the name of urban development.

Discussion:

- A. **Governmentality and Urban Transformation:** The case of Horas Market illustrates how urban space is not merely a physical environment but also a site of governance and power relations. The use of governmentality as a framework helps us understand how local governments aim to shape urban life by influencing behaviors, defining acceptable practices, and regulating economic activities. The transformation of the market is not just about economic development but also about controlling how public space is used and by whom. In this context, the market becomes a battleground for competing forms of power: the state's formal regulations versus the informality and local knowledge of market participants.

- B. Power and Modernization:** The modernization efforts at Horas Market reflect the broader global trend of transforming informal spaces into formalized, regulated environments to attract investment and modern consumers. However, this transformation reveals the power dynamics between different social groups. The government's role as a developer and regulator places it in a position of dominance, allowing it to dictate how urban spaces should function. By enforcing regulations and changing physical space, the government redefines the identity of the market, often to the detriment of long-standing informal vendors who resist being displaced. These vendors, however, form a subjugated group whose economic survival and social position are threatened by urbanization's top-down approach.
- C. Displacement and Inequality:** The displacement of informal vendors from Horas Market underscores the inequality that can arise from urban development projects that prioritize economic growth and modernization over inclusivity. While the government may argue that the development of the market is beneficial for overall economic progress, it fails to address the unequal distribution of benefits and harms that affect different social groups. The exclusion of informal vendors, often lower-income individuals, from the newly formalized market further entrenches socioeconomic divides, contributing to growing inequality in urban spaces. This issue also highlights the need for a more inclusive approach to urban planning that considers the livelihoods of all market participants, especially those from vulnerable groups.
- D. The Role of Urban Planning in Shaping Power Relations:** Urban planning is not a neutral tool but one that can either reinforce or challenge existing power structures. The development of Horas Market is an example of how urban planning can be used to exert control over public space and individuals. The decision to regulate the market, redesign spaces, and impose legal frameworks has transformed the power relations within the market. The local government has become a key player in shaping the economic and social dynamics, and its decisions reflect broader political and economic trends that prioritize commercial interests and economic growth. However, this development is not without its challenges, and the resistance from informal vendors is a powerful reminder of the need for more democratic and inclusive urban governance.
- E. Implications for Future Urban Development:** The transformation of Horas Market serves as a cautionary tale for future urban development projects in similar contexts. It highlights the importance of balancing the need for modernization with the need to protect the rights and livelihoods of informal

workers. Future urban policies should strive to create spaces that are inclusive, offering opportunities for both formal and informal vendors to coexist. This could involve creating designated spaces for informal traders within the formal market or ensuring that new regulations do not disproportionately harm vulnerable groups. Additionally, a more participatory approach to urban planning, where local communities are actively involved in decision-making, could help to mitigate the negative effects of top-down urban transformations and promote a more equitable urban future.

4. CONCLUSION

The transformation of Horas Market in Pematang Siantar exemplifies the intricate power dynamics involved in urban development and governance. Through the lens of governmentality, we can observe how local government interventions shape the market's physical and social landscape, emphasizing control, regulation, and modernization. While the formalization of the market aims to enhance economic efficiency and attract investment, it also reveals deep-seated power imbalances, particularly through the displacement of informal vendors who rely on the market for their livelihoods.

The government's role as a central actor in urban space transformation highlights the tension between development goals and the realities of informal economies. Although urban modernization can bring benefits, such as improved infrastructure and increased business opportunities, it often does so at the cost of marginalized groups, reinforcing inequality and exclusion. This case study underscores the need for more inclusive and participatory urban planning that considers the interests of all stakeholders, particularly those in vulnerable positions.

Ultimately, the experience of Horas Market serves as a critical reminder that urban development should not only focus on economic growth and regulatory control but also address the social implications of transformation. Moving forward, it is essential to balance the demands of modernization with the protection of informal economies, ensuring that urban spaces remain inclusive, equitable, and responsive to the diverse needs of their communities.

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