Socio-Economic and Power Interdependence: Loan Sharks and Traditional Market Traders After the COVID-19 Pandemic

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Abstract: Moving on from the rise of loan sharking practices in traditional markets in East Java, this research has become important. The problem is that there is interdependence between loan sharks and market traders; thus, the practice is difficult to stop. For this reason, this study seeks to identify the pattern of interdependence that is built between traders and loan sharks as actors of informal financial institutions. This study uses qualitative research methods with case study methods, and research informants move according to the snowball effect principle. Using the concept of actor interdependence, informal trust, and informal institutions, this study shows that loan sharks and traders based on their region of origin have differences as immigrants and indigenous people. Loan sharks and traders collaborate to form a pattern of interdependence between informal actors in one arena (traditional market). The greater the market levy income, the more crowded the market and the more merchants and loan sharks. In contrast, the market levy is directly proportional to crowds, the number of merchants, and loan sharks. Informal trust arose in both actors because formal institutions could not easily provide capital for traders. Although loan sharks set a high interest rate, the convenience provided makes this practice continue to exist.

1. INTRODUCTION

Traditional market is a place to carry out trade activities to the distribution of goods and services between socio-economic actors (Kemp et al., 2022; Lee et al., 2022) as well as intersections in social and cultural interdependence (Andreoni & Chang, 2019). Meanwhile, in terms of space, the market is an arena for formal and informal actors in the form of financial institutions where they provide capital for traders (Gomez-Gonzalez et al., 2022). Traditional markets still exist, especially for the lower middle class even though modern shopping centers such as malls and supermarkets have been established. In the midst of the currents of global capitalism, traditional markets do not shift the essence meaning of the market but rather as a public sphere for rural communities (Barnett et al., 2022).

Interaction in the market is not only between sellers with buyers and money with goods but also between ethnicities as a result of population migration (Stewart et al., 2021). In the context of this study, ethnic Arabs sold water furniture and cloth; ethnic Chinese sold basic necessities; ethnic Javanese sold natural; and ethnic Batak played the role of actors who lent capital. Merchants were dominated by Javanese women, who sold agricultural products and acted as "middlemen" while their husbands helped carry merchandise, opened stalls, and tidied up the merchandise. But the irony is that the indigenous people (ethnic Javanese), their economic level has not undergone any significant changes like the mostly successful Batak ethnicity. The economic interdependence between Javanese and Batak ethnicities in traditional markets gave rise to patterns of dependence on capital. The pattern of interdependence that is built between traditional market traders and loan sharks as actors of informal financial institutions needs to be studied using the concepts of actor interdependence, informal trusts, and informal institutions. This is because they as actors outside the country have a bargaining position whose strength is quite considered. Their existence is an impact on the birth of civil society as a logical

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consequence of the personalized state authority. Their role in society can fill the shortcomings that the state has (Lee et al., 2022).

Social power is found in all social relations and social institutions. According to Puteh-Behak et al. (2015) actors in power can be individuals, groups, organizations, and governments. Power is usually in the form of relationships, there are parties who rule and are ruled (the ruler and the ruled). The source of power is found in various aspects, both from violence, position, wealth, and trust (Kemp et al., 2022).

The interests of each actor are tied to a problem or solution but that is not always a problem. This can be useful for determining whether an actor is dealing with costs and profits. If so, they are likely to become "loyal actors" or "unfaithful actors". When the actors don't get profit, they tend to reduce their hard work in contributing. Actors allow influencing responses to specific problem formulations and direct solutions when the actor is connected by providing a reaction. It is perfectly reasonable for other actors to change solution solving or pay off potential support by creating coalitions in particular with "loyal actors" or "unfaithful actors." While important actors can firmly support the fixing of the problem, they can also get in the way. Their status as an important actor gives him the right to overturn the decision entirely (Martínez-Cerdá et al., 2020).

The magnitude of power in a relationship largely depends on the spread of dependence. The greater the imbalance and the more difficult it is to dispose of, the more actions that do not pay attention to one's own interests are involved in the effort to drain the source, so that the power in the relationship is greater. The magnitude of power is determined by an imbalance in dependence and the relative ease with which the controlled party is to break away (Voronina, 2022). Imbalances are the result of different controls over the desired source (Rubino et al., 2022) There are five types of power sources in the interdependence of dependence between actors, namely finance, production, competence, knowledge, and legitimacy (Lee et al., 2022)

In addition to dependence between actors, trusts also appear in the interdependence between traders and loan sharks after the covid-19 pandemic. However, it should be noted, trusts appear along with social capital and become a part of it. The roots of trust thought initiated the "Philosophie des Geldes" (Álvarez-Botas & González, 2021) conceptualizing trust as "a state of favorable expectation regarding other people's action and intentions..." as a basis for individual risk-taking, cooperation, reduction of social complexity, order, and capital. Möllering's formulation (Nikolova et al., 2015) brings trust to the connotations of aspects of the precision of negotiating will and reality offered by individual or group social actions. Trust will be high if the deviation between the will and the realization of the action is very small, on the contrary it will be low if the will and the realization of the desired action are not fulfilled.

2. LITERATURE REVIEW

In the context of trust and referencing the opinion of Fukuyama (1995), Indonesian society today can be said to be "a society which seriously faces a shortage in social capital (trust)." This definition of capital makes the idea of civil society characterized by democratic-civility difficult to fulfill immediately because according to Fukuyama (1995) and Putnam (1995) trust is an important part of people's capital for democracy (Solbjør et al., 2012; Zolfaghari & Madjdi, 2022). When democratic life develops in an atmosphere of mutual suspicion, distrust, and self-determination, then there is an immediate situation of insufficiency of social capital. In addition, Fukuyama (1995) says trust is the "spirit" of social capital. The form of trust relationship with social capital can be viewed as an important capital stock in the economic development of society, including for industrialized societies. Sufficient stocks of social capital encourage cooperation and association in society, as well as reducing transaction costs in social interaction. While (Latusek & Vlaar, 2018) argues that trust is an important pillar of social capital, as a social network and common norm, which determines the physical quality of society.

Viewed from a neo-classical economic perspective, individuals are given the opportunity to think rationally in making choices over social actions that will be decided in utilizing the stock of social capital, especially when making decisions to make effective and efficient civilizations of society. That is, social capital together with various forms of economic capital, fiscal capital, human capital, and environmental ecological capital.

In the economic sector, (Kemp et al., 2022) considers trust as an important contributing factor in influencing the level of welfare and helping to create a unity of diversity, and considers it important that formal and informal institutions that ensure trusts to function operationally. Informal institutions that can foster trust are interpersonal relationships, norms, values, and social sanctions. In terms of formal institutions, trust will grow if organizational functions such as educational institutions, laws, and markets contribute energy to the growth and development of the atmosphere of morality of trust in society. Meanwhile, from a political-economic perspective, in the long term, it also predicts a tendency to worsen the socio-economic conditions of the people concerned (Lee et al., 2022; Puteh-Behak et al., 2015).

Meanwhile, several studies on the informal economy reveal that the third world urban informal sector is growing and developing as a result of the expansion of village-urban social networks, which discourages the informal sector from over absorbing resources from the countryside (Mhandu, 2020). In other words, the "unlimited" capacity of the informal sector in absorbing resources is due in part to the proper and efficient functioning of social capital supplies in allocating resources to business units that have the potential to develop (Kemp et al., 2022)

Traditional market traders and loan sharks as informal institutions, also act as institutions of financial because the term informal institution is widely used in the socio-economic sphere; ranging from characteristics in traditional culture, private networks, clientelism, corruption, clans and mafia organizations, civil society, the black market, as well as norms in formal institutions. Informal institutions are rules-sets of rules that provide space while limiting the activities of actors, but can be distinguished from formal and non-institutional institutions, especially related to patterns and behaviors. The first distinction between informal institutions and formal institutions can be done through state societal. Formal institutions include state bodies and state enforced rules while informal institutions include citizenship, religion, kinship, and rules of civic organizations (Voronina, 2022).

The second differentiator is about enforcing the rules, informal institutions are non-governmental organizations in the community while formal institutions arrangements are carried out by the state. The third differentiator, formal institutions, the rules are openly arranged (legislation) while the rules of informal institutions are in the form of social rules, which are generally unwritten, created and communicated, and implemented outside official legal channels (Kemp et al., 2022; Lee et al., 2022). Thus, informal institutions arise from a wide variety of different causes and ways, modificative and adaptive, and can be found all the time. They play a role in solving problems when formal institutions fail in their roles.

In analyzing informal institutions, the author will later begin by explaining the actions of informal institutions to identify relevant actors, coalitions, and interests. On the other hand, informal institutions in the context of power and resources are rarely distributed and they usually give rise to winners and losers. The second step is to identify the mechanisms of the establishment of informal institutions. This process varies, which in some cases, the actions of informal institutions are described as a decentralization or bottom-up process in most actors who play a role in the formation of focal points for repeated interactions or bargaining processes (Álvarez-Botas & González, 2021).

Decentralization can be a solution to the construction of restricted areas for animals and demarcation attributes. While in the case of the establishment of formal consent, informal institutions can be interpreted as a top-down process by a small percentage of the elite (Kemp et al., 2022; Lee et al., 2022). The emergence of informal institutions can be seen as a unified process in which informal institutions are often the unexpected product of a certain set of conflicts and compromise, then strengthen or stifle in a dependency process. Whether informal institutions are seen as a product of decentralization, coordination, bargaining, elite crafting, or historical uncertainty, the key point is an explanation of the emergence of the necessity of placing actors, interests, and mechanisms by the rules created and communicated (Xu et al., 2021).

Informal institutions can change through collapse or replacement by a formal institution. Alternatively, informal institutions can change when their structure remains the same in political comparisons, however informal institutions are characterized as opposing actors. Lauth (2000) argues that because of the rules, informal institutions do not have direct centrality and coordinates with their actions. The change is most likely to be a decentralized actor and a long process (Álvarez-Botas & González, 2021; Chandera et al., 2021).

Referring to the study from (Demirgüç-Kunt et al., 2020), financial institutions are divided into two, financial formal and informal. Formal financial institutions consist of various institutions such as the Regional Development Bank, Bank Rakyat Indonesia, Market Bank, KUD, and Formal Pawnshops all organized by the government and used by the upper middle class and is bound by formal regulations. In addition to offering loans, it is also a deposit facility. The credits offered by formal agencies are usually used by them with sufficient level of education to know the banking procedure. The author sees them often fail to touch the lower classes because the procedures are complicated. Unlike informal financial institutions, which are used by the lower classes and contribute to the development of the economy by channeling funds from the surplus sector to the minus sector, the procedure is simpler to obtain any unsecured loans based on interpersonal relationships.

Bylander, (2020) in his study observations found that the clients of informal institutions were many from farmers, farm and market workers, small and professional traders, rickshaw drivers, large and small self-employed people, civil servants and so on. Meanwhile, the study from (Chandera et al., 2021) found the informal financial community consisted of loan sharks; pawnshops; loan commissions; loans of landlords and middlemen; loans of friends and relatives; money keepers; non-rotational savings and credit groups; savings associations; rotating credit; lottery club Dasa Wisma; savings and loan cooperatives; shop loans; and mindring.

In other words, informal financial institutions are very important in supporting the economic viability of households, especially by providing short-term loans with simple procedures. The main customers of informal financial institutions are large and small-scale traders (Bylander, 2020) However, loan sharks sometimes provide both forms of loans. According to (Bylander, 2020) small traders usually use credit offered by loan sharks, mindring, savings and credit cooperatives, and lottery club. Therefore, this is interesting to study further because loan sharks in fact contribute to the development of trade.

Although loan sharks attract high interest rates on credit packages to those who not eligible to get funding from bank. But on the other hand, loan sharks have an economic function as an additional source of merchant capital for consumption needs (Morvinski & Shani, 2022). There is a relationship between actors, loan sharks as actors who lend capital and traders as borrowers of capital. So, this research is focused on socio-economic interdependence and power between actors, loan sharks and traders. The goal is to determine the pattern of interdependence that is built between traditional market traders and loan sharks as actors of informal financial institutions.

3. METHOD

In answering research questions related to interdependence between actors, namely loan sharks with traditional market traders, the type of qualitative research with case study methods is considered relevant to be applied (Álvarez-Botas & González, 2021; Bylander, 2020). Data obtained through interviews following the principle of snowball effect on informants, namely three loan sharks and ten traders, seven Market Heads and one market officer, as well as several from the Surabaya Regency BAPENDA, Village Government, PNPM Verification Team and District PPK. In addition, this study is also supported by data obtained through literature reviews and documentation.

4. RESULT AND DISCUSSION

4.1. Loan Sharks as Informal Institutions and Financial Capital Providers: An Interdependence Perspective

Social capital can be discussed in the context of a strong community, a solid civil society, and nation-state identity. Social capital has a major influence on economic growth through various mechanisms such as an increased sense of responsibility for the public interest, widespread participation in the democratic process, strengthening of community harmony and a decrease in the level of violence (Chandera et al., 2021).

Morvinski & Shani, (2022) defines social capital is networks and beliefs in social organizations, or beliefs that arise in a community. All their views facilitate coordination and cooperation for mutual benefit. However, researchers see that social capital measures rarely involve measuring the interaction itself but rather the result of interactions such as the creation of trust between citizens. Interactions can occur on an individual as well as institutional scale (Cheung et al., 2022). Individually, interaction occurs when intimate interdependence between individuals is formed with each other, which then gives birth to emotional bonds. Institutionally, interaction can be born at a time when vision of one organization has something in common with the vision of another organization actors who interact and communicate and then establish cooperation are basically influenced by the desire to achieve common goals, especially in relatively long interactions. Long-lasting interactions give birth to social capital in the form of emotional bonds to achieve common goals so that they grow and create trust. Like financial capital, social capital can be used for current activities or production processes as well as to be invested in future activities (Demirgüç-Kunt et al., 2020; Morvinski & Shani, 2022).

Economists have long spoken of financial capital, which is a sum of money to buy the company's facilities and means of production; factories, machinery, office equipment, and vehicles, or as an investment. Such a concept of capital is relatively easy to understand because spending money is part of human life, which involves clear thinking and indicators. Financial capital is easy to measure because the total money spent can be identified according to the amount of goods (Cheung et al., 2022).

Social capital is similar to other forms of capital in that it is productive. Social capital can be explained as a product of human interdependence, in particular intimate and consistent interdependence, leading to networks, norms, and beliefs, potentially on the productivity of society (Bylander, 2020). However, in contrast to financial capital, social capital is cumulative and incremental, so that it will not run out if it is used but increases. The destruction of social capital is more often not because it is used but not used. In contrast to human capital, social capital also points to the ability of individuals to associate. By relying on shared norms and values, associations between people generate beliefs of high economic value and measurable (Morvinski & Shani, 2022).

The trader's need for capital provides an opportunity for the presence of a financial institution. Loan sharks as informal financial institutions provide convenience for traders in accessing capital. In fact, there are various models of loan sharks present offering loans. Traders are faced with a wide variety of forms of lending. This requires the foresight and selectivity of the trader so as not to get stuck on the "dig a hole close the hole" cycle. In the context of this study, loan sharks can be various.

Loan sharks are in terms people who lend money or people who have bills to other parties (creditors). Loan sharks can take other forms, such as banks that provide loans to customers can also be called loan sharks or even government programs, through savings and loans for women's groups (PNPM Mandiri). Loan sharks are so prevalent in traditional markets in East Java. Their distinctive feature is the rentier business people, who in fact are Batak people. In addition, loan sharks have a unique system in capital management. They get the financial capital to run this business from several sources, obtained from relatives, lottery club, and conventional banks. That is, not only traders who obtain additional capital to trade from some financial institutions, but loan sharks do so too. The reason is that borrowing in conventional banks has a relatively light interest rate. Conventional banks are used to loan sharks so that they still benefit from their services lending money to traders. Usually, loan sharks borrow at Bank Rakyat Indonesia. The Bank provides loans to residents with the People's Business Credit (KUR) program. KUR is currently one of the government's programs to alleviate poverty in accordance with their profession. The requirements for applying for a KUR include: the applicant has an ID card (local resident), a commercial business, has a Taxpayer Identification Number (NPWP), there is a place of business with survey results from the bank. Guarantees of immovable goods such as: certificates of title to land, houses, and or places of business.

The place of business is the main guarantee. For traditional market traders, the market stall certificate can be used as an additional guarantee but cannot be confused with a guarantee remain. The term of the loan depends on the ability of the creditor. Loans of one million rupiah to fifty million rupiah, the loan period is a maximum of three years while loans above fifty-million rupiah terms in five years.

The criteria for businesses that have the opportunity to get credit are real and developing businesses, which are not opposed to society. The business that loan sharks are engaged in, of course, are not included in these criteria. The reason is that they borrowed money and lent it again at high interest to the people, this is very detrimental. The ownership of local residents' ID cards with banks is a top priority. Batak people can apply for a loan as long as they have an ID card and family card along with a letter of transfer from the local government. Based on the findings in the field, Batak people in the area of pantura who obtained KUR loans, have businesses including: onion gardens, food stalls, clothing and onion sales, carp cultivation, and public transportation.

Meanwhile, loan sharks who get capital from their relatives use the lottery club system. Its membership is restricted in each market. Each market has its own community and members, but members can have dual or cross-market membership. The informant objected to mentioning the name of this lottery club. This lottery club is limited to the scope of loan sharks who lend small-scale loans. There are different groups of social gatherings for loan sharks who lend loans above five million rupiah. This gathering is held regularly every 4th of the month, and is held in rotation from house to house. The members of this gathering are all women, they are composed of various clans and are limited to batak people only. Based on the findings in the field, they obtained capital from the monthly lottery club system every 4th and the installments were IDR 250,000 per person, the number of members is 25 people. One shake of lottery club IDR 250,000 x 25 people equals IDR 6,250,000 for one member. The lottery club adheres to the auction system. For members who are in dire need of capital, they can get priority funds even if they are not intact. The funds were mutually agreed upon, for example: contribution to the lottery club amounted to one hundred thousand rupiah, because the lottery club funds were auctioned, it was agreed that the lottery club funds would be seventy thousand rupiah per person. A loss of thirty thousand rupiah is not charged to the member who gets the lottery club, it's just that the member does not get the lottery club funds in full.

Basically, money is not only understood from the economic side as utilitarians limit the meaning of money into the economic field only, but also has social, cultural, political dimensions, and so on (Bähre, 2020). As a product of culture, money has a symbolic meaning in the form of qualitative values. Money may "infiltrate" value into numbers but value reciprocally infiltrates money by immersing it into moral, social, and religious meanings (Zelizer, 1989).

In relation to loan sharks, this actor has customers, namely hawkers, food stall owners, and food vendors in the market, but small vendors on the edge of the main road outside the market such as merchants are in great demand because they do not have production resources in the form of land to trade. Of course, they need capital support to connect their stocking goods tomorrow. The average loan shark knows his customers well, so if you find a borrower who is stuck in installments, the loan shark easily finds the customer's address. If the customer fails, the loan shark will sell a letter of guarantee in the form of stall ownership to someone else. However, apart from being good at calculating, many of the loan sharks cannot read and write. For the illiterate, they use certain codes and symbols to mark the customer and the amount of money lent. They have an unwritten agreement by the loan agreed with the customer. A customer may not borrow two kinds of loans from a loan shark, unless the loan shark is different. Customers are allowed to borrow back, if the installments and interest on the loan have been settled. As for customers who are choked in paying off the loan, then every day the interest from the loan taken is calculated.

The nominal loan offered by loan sharks is quite diverse, even with the number of installments, both days and credits. Traders who apply for loans to loan sharks will be offered several loan options, including: IDR 100,000; IDR 200,000; IDR 400,000, multiples and so on, the most pegged IDR 50,000,000. Nominal under five million rupiah specifically for traditional market traders while loans in the range of fifty million rupiah require collateral in the form of valuable objects such as Motorized vehicles in physical form are not only STNK and BPKB to anticipate customers who are absent from their obligations. The loan term is one to two months with a loan interest of 20 percent. If the customer completes his obligations more than the specified time limit, then he must pay off the accumulated interest and loan.

Batak loan sharks are informal financial institutions, they have legal-formal provisions for credit applications from customers. Trust is the main collateral capital for the loan provided. If the customer fails of his obligation to pay the installments and does not pay off until the installment maturity, the loan shark will sell the customer's store ownership letter to someone else. Loan sharks consider that this business provides a livelihood and is quite promising, whose profits reach more than three million rupiah per month. When not many customers are absent, loan sharks can pocket a profit of five million rupiah to six million rupiah in each month. They use the profits of this business for family purposes, so it is maintained.

4.2. Interdependence of Power between Informal Actors in Traditional Markets

The author's exploration of nine traditional markets found five categories of actors, namely: traditional market traders, financial institutions both formal and informal, capital owners, governments, and supporting actors. All depend on each other when they need each other's resources. This interdependence corresponds to the fact that no actor can achieve goals by relying solely on their own resources. These resources they can use to realize their own goals, other actors, or hinder the goals of other actors.

Resources include formal and informal means that the parties who have them to achieve the objectives, including formal ability and decision-making authority (authority); certainly identifiable resources such as money, organization, and HR; as well as intangible resources such as authority, legitimacy, strategic capacity, mobilization of power, and the like. The level of dependence of an actor is determined by the interest in the help of other actors to utilize the resources owned by others and by the possibility of replacing those resources or obtaining them through other actors. The importance and ability to replace very determines the interdependence of dependencies (Van Buuren & Klijn, 2006).

The interdependence of power established between informal actors in traditional markets can be analyzed using the concept of actor interdependence as what Van Buuren and Klijn suggested (2006), first, financial resources (capital). Capital is often important for problem solving because it provides solutions and helps address the organizational costs of a difficult decision-making process. In the context of interdependence between traders and loan sharks, capital becomes the main need for traders who are limited to stocking product. The difficulty of penetrating capital from formal institutions with convoluted bureaucratic flows makes loan sharks a solution to capital problems for traders. This interdependence shows that although loan sharks set high interest rates, loan sharks provide ease of lending for traders.

Secondly, production resources. Production resources include tangible resources such as land, physical buildings, and equipment, as well as intangible resources such as land ownership, technology, knowledge, and individual capacities. Production resources include what the actor invested in earlier. In this context, production resources make loan sharks as resource owners dependent on traders because loan sharks as resource owners look for opportunities to optimize the specialization of their resources on a project to make a profit and previous investments. While the traders cannot easily access this through other actors (countries) because they need substantial investment or capital in the form of guarantees, time, and bureaucratic flows.

Third, competence. This type concerns formal judicial power on decision-making. For example, the power determines the planning and creation of the territory, issuance of permits for an activity, and the like. Generally, these model resources are used by public/semi-public (independent regulatory agencies). The public actors here are traders who are members of the Women's Savings and Loans and loan sharks who get capital by borrowing funds in conventional banks.

Fourth, knowledge. Knowledge is important in building solutions and investigating the causes of problems. Knowledge can manifest in something expressed, as well as implied. This latter form of knowledge is difficult to inherit, and it takes the liveliness of the actor to use experience in the decision-making process. In this case, traders are able to process how much capital they need in each loan period, use the loan for stocking their commodities, as well as meet the needs of the family and pay off the loan along with the interest. This loan shark is a solution for traders who are interested in capital and loan sharks are positioned as parties who provide convenience from the problem of capital difficulties.

Fifth, legitimacy. Legitimacy is a resource that is clearly disguised compared to other resources, but this is indeed not so important because actors have the ability to give or delay legitimacy. In this case, formal institutions can provide financing to traders in the form of government programs (PNPM Mandiri and KUR). Meanwhile, traders can also look for other media in this case loan sharks to fill a role of a formal financial institution. Thus, legitimacy in social networks where informal financial institutions are becoming increasingly important and becoming a potential resource replaces the government's position.

Thus, the socio-economic interaction that is built up between loan sharks and traders shows interdependence when they need each other's resources to realize their respective goals. This interdependence corresponds to the fact that no actor can achieve his goals only by relying on resources individually. Thus, the interdependence of power created between rentiers and traders shows a pattern of interdependency between informal actors.

4.3. The Struggle of Formal and Informal Institutions in the Interdependence of Power

The presence of informal financial institutions in traditional markets indicates that the state (formal financial institutions) is weak in the economic sector. This means that the government is unable to contain the existence of informal actors outside the state, especially regarding funding and financing. In fact, the government has the authority to regulate the existence of informal financial institutions through regulations to overcome the rampant practice of rentiers. The existence of loan sharks is recognized by market management officers as affecting the levy income in a market.

The government at the level of technical implementers of the policy in this case market managers admitted that there is no regulation that regulates the practice of loan sharks in traditional markets. Thus, they have difficulty in "combating" the practice of loan sharks. So far, the Surabaya government, namely the BAPENDA, has only regulated retribution and market management. While the interaction between actors in traditional markets are organized based on local wisdom. When market managers, traders, and loan sharks encounter problems, everything is resolved in a familial manner.

The government has the functions and obligations of a provider of public goods. The sustainability of traditional markets is part of the government's responsibility in carrying out its functions. First, the function of stability in the fiscal realm in this context of market levy, namely the obligation of the state to maintain the continuity of fiscal financing sources that support a policy. The achievement of the levy of a traditional market has been determined by the local government while the market manager only realizes the levy target set by the government. The government is trying to pursue Local Native Income from the market sector as its revenue continues to flow.

The existence of loan sharks in the market can affect the income of the levy. The reason is that loan shark traders (customers), who are absent from installment responsibilities, often change places to trade to avoid loan sharks who teach customer obligations. The movement of traders makes the levy decrease because the market becomes deserted traders. This condition was complained by market management officers, both village markets and regional markets. This decrease in levy income is addressed by market managers by regulating their income according to the high-moon season such as on Islamic holidays.

Secondly, the distribution function. Through budget policy, it is hoped that the conception of equitable service can be created because technocratically, the budget is an arena where the allocation of needs is read and met financially. Thus, the balance of distribution between accessing groups becomes an inevitable demand for functioning. This distribution function is related to the government's ability to provide financing or credit to traditional market traders. The types of financing encountered in the field include the People's Business Credit (KUR) and PNPM Mandiri.

Third, the allocation function. The state through its budget policy is required to be able to manage transaction problems, and ensure that public goods remain accessible to the public amid the threat of the absence of certainty of the exchange system market. The allocation function is related to access market stability from society and by society. Traditional markets as public goods are originally accessible to residents in the environment and outside the market, market buyers and traders, as well as financial institutions, especially loan sharks and formal financial institutions.

The provision of capital through formal institutions, makes the access of actors limited. This policy applies only to certain actors (traders), who meet the requirements. The two types of financing launched by the government for traders (PNPM Mandiri and KUR) involve legal-formal affairs. However, not all traditional market traders are willing to deal with it because they consider legal-formal affairs to be inefficient, let alone to illiterate traders. Formal financial institutions such as banks and pawnshops also provide administrative requirements that quite inconvenient while flexibility is a major factor for traders in borrowing money as offered by loan sharks. For traders, loan sharks are informal financial institutions or alternative providers of capital outside the country with easy terms and conditions. This alternative is used by traders as a means of connecting economic cycles, especially for traders who are capital-intensive and unable to access government programs. In that context, the accessibility of traders to capital depends on loan sharks.

When the state is unable to guarantee the needs of its citizens, the state fails in carrying out its functions and responsibilities. The state through a government elite at the local level who has the authority should be able to manage the risk of loan sharking practices. This research shows that the failure of government programs, both KUR and PNPM Mandiri, is proven by the presence of informal institutions outside the country as capital providers. So far, the government has merely wanted to regulate the rampant practice of loan sharking in traditional markets but the agenda of capturing the aspirations of traders, was not carried out. Not surprisingly, attempts to suppress practices are difficult because there is no regulation.

In the nine traditional markets studied, there are loan sharks who lend money to traders. The reason for the election was because the loan shark community in the nine markets, the majority of which consisted of immigrant residents who were Batak ethnic. Meanwhile, the traders who borrowed money from loan sharks were indigenous (Javanese ethnic). So that the interdependence built up in it is not only purely socioeconomic interdependence and informal power but also interdependence in ethnically based communities. The existence of loan sharks, which in fact are from the Batak tribe, did not receive resistance from the indigenous population. However, the indigenous people called them clearly "Batak", and stereotypes against migrants were attached due to the accumulated roles and negative behaviors of the indigenous people.

Power can include all interdependence, whether social, economic interdependence both in the formal sphere and in the informal realm. In the traditional market the interdependence that is built up between actors shows a pattern of interdependence to the control of existing resources. Loan sharks and market traders based on their region of origin have differences as immigrant and indigenous people. They have their own claims to their profession and regional origin. The two collaborate in traditional markets and have each other's resources as bargaining positions, thus forming a pattern of interdependent interdependence between informal actors. Although loan sharks set a fairly high interest rate, the convenience provided by this informal financial institution makes it still exist and is always sought after by its customers and prospective customers.

5. CONCLUSION

Loan sharks are a community of people who provide soft loans to traders, they are well associated with kinship interdependence, and have orderly mechanisms and systems, and intersects with the state or government as a formal institution–public service providers in the form of markets and providers of formal financial services in the form of financing policies. Loan sharks as informal institutions exist to provide an alternative financing for traders who are reluctant and inaccessible to formal actors. The provision of high interest on loans is not a problem for the trader's cell customer but the most important thing is trust, and the ease of obtaining capital, as well as the way it is returned.

Loan sharks can build systems and mechanisms between them, as well as for traders as customers. The systems and mechanisms that occur create social capital in the form of trust. The presence of informal financial institutions is not limited to presenting trust from loan sharks to customers or vice versa but also forms a pattern of interdependency from customers to loan sharks, and vice versa. In addition to trusts, the allure of loan sharks in providing easy access to financing and funding administration to customers. The interdependence of power that occurs between loan sharks and traders is an interaction in socio-economic interdependence. Meanwhile, the interdependence of power created between loan sharks and traders is in the form of a pattern of interdependence between informal actors. Interdependent between informal actors is built because there is a contribution of financial resources, production, competence, knowledge and legitimacy.

The source of power in traditional markets became the estuary of this study, which included power derived from the financial power of formal and informal actors. This source of power can be used as land control, labor, material wealth, and production. The use of land control is controlled by the government as a form of rental loss and market stalls. The role of the government as a provider of public services is currently money-oriented. The provision of public facilities is not necessarily free but the government is "pursuing deposits" in accordance with the annual target to meet the regional treasury. With the concepts of actor interdependence, informal trust, and informal institutions, this study contributes to reading the pattern of interdependence that occurs between informal actors in the realm of society at the lower economic class level.

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