

## The Analysis of Underground Economy Transaction Existence of Junk Night Market (JNM) in Malang City

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**Abstract :** The under ground economy phenomenon is exist in Indonesia. There are some factors which affect the existence this underground economy activity. One of them is a hierarchy power structure that handles the underground economy existence. The example of the existence of underground economy is the occurring informal market in Indonesia. Malang city is one of the city which has this kind of market. Junk night market (JNM) as an underground economy activity is arising in that city. The JNM is located in Gatot Subroto Sidewalk Street. The JNM is a illegal market which sell thrift, antique, imitation and black market goods. The JNM is interesting topic to be discussed, because this market is running in long time without any policy from local government. The JNM activity has their own "power" that run the market rules. Thus, it is important to analyze how the existence and power structure of JNM actors community are in Malang city. This research using qualitative method with phenomenological approach where we try to understand the phenomenon and related actors deeply. The aim of this research is to know the existence and power structure of JNM actors community in Malang. In JNM, there is no any entry barriers and tax charge from Malang government itself. Price competition also occurs because the buyer can do a bargain with the seller. In maintaining buyer loyalty, the JNM actors also do pre-order system. Even though, this market is an illegal market but the JNM actors also give the goods guarantee (without legal contract) as a formal market. In JNM actor's community, there is no hierarchy and formal power structure. The role in JNM is managed by informal leaders who come up from the trading activity problems that are sidewalk and parking area dividing. Therefore, can be concluded that even the JNM is illegal market but it can survive with natural market pattern. In JNM development, JNM has positive and negative impact for Malang city. The positive impact of JNM is this market can open a new employment but the negative impact is there is no tax income from that market. Therefore, suggested that the government of Malang city should manage and give appropriate policies in this case.

**Keywords :** junk night market (JNM), Malang city, underground economy, illegal

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