

The Strengthening Model Of People's Market Merchants At Border Area

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Abstract

This research aims to find the model of strengthening People's Market Merchantss in the Border Area of Aruk Sajingan, West Kalimantan. It specifically finds out a model for strengthening the economic capital, social capital, and human capital of merchants and the feasibility of a model. This study also description of the effectiveness of developing a model for strengthening the economic capital, social capital, and human capital of merchants. This study uses Research and Development with a pre-experimental design: one group pretest-posttest design. The research subjects were selected through purposive sampling technique with 43 people in the pretest and 41 people in the posttest, which the data were direct communication, indirect communication, and documentary studies. Testing the significance of differences was done through t-test. The research revealed the model for strengthening economic capital, social capital, and human capital of traditional market traders in the Aruk Sajingan border area of West Kalimantan using the R&D model with three stages. The findings also stated that the model assessment of pedagogic / training experts, character education, and practitioners' states that it is valid and worthy, while it effective in increasing the success of traders' businesses.

Keywords: *Economic Capital, Social Capital, Human Capital, Merchants.*

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INTRODUCTION

Merchants at the borderline of Aruk Sajingan, West Borneo, have been starting to be properly managed by the local government. However, the initial survey results have discovered that as a newly regulated borderline, the regulations are still not optimal. Moreover, if reviewed from the competitive advantages over the current business performance that shows a relatively low level of competitiveness. On the other hand, the welfare is still low because the profit of trading business is not fully enjoyed by them due to the dependency towards the capital owned by others.

If related to the increase in rivalry, complexity, task field intensity, and scope of work as the cause of the increasing and growing of circumstances and the development process in the globalization era, thus, raising the community participation and developing their potentials are highly

required in the effort to lift the community economic development. Based on that basis, a strengthening model that is designed systematically and programmatically must be carried out prematurely, which committed through a model to strengthen economic capital, social capital, and human capital. This study solves the problem how to develop a strengthening model of people's market merchants at the borderline of Arul Sajingan, West Borneo. By develop a appropriate model to strengthen economic capital, social capital, and human capital or people's market merchant. Eventually, examined the effectiveness of the model to improving the business success.

The purpose of the study to develop a model to strengthen economic capital, social capital, and human capital of people's market merchants; the appropriateness of the model to strengthen economic capital, social capital, and human capital of people's market merchants; and the description of the effectiveness of the development of the

strengthening model for economic capital, social capital, and human capital of people's market merchants in improving the business success. Contribution this study are People's Market Merchants: an established platform to collect funds for merchants; the improvement of knowledge and skills in managing business/characterized marketing and entrepreneurial behavior.; and the empowerment for merchants. 2. For UNTAN: supporting the achievement of strategic plans and UNTAN's research roadmap. 3. For the Government: Donating rational thoughts on the community economic education and can be used to improve the community economic/welfare.

LITERATURE REVIEW

The enhancement of economic, social, and human capitals is necessary for merchants to improve their capabilities in business. Schultz (1961) expressed that economic and human capitals are the factors that affect the improvement of economic productivity on people. According to Faizey, John et al., (2017): the economic capital calculation obligates people to determine the type of available capitals to absorb risks and use the information to support strategic decisions. Thomas and Fadyen (2015) stated that the development of economic capital is carried out by gathering collective capitals to support the business success. Based on this statement, the development of economic capital is crucial for every merchant in business. The strengthening model of economic capital can be done through institutional strengthening, and providing information regarding capitals to merchants. According to Gibb, Platts & Miller (Ruch, 1958:63), in the effort to embody an effective cooperation in a democratic group, there are principles of group dynamics as the requisite for group productivity, namely: atmosphere, threat reduction, distributive leadership, goal formulation, flexibility, consensus, process awareness, and continual evaluation. Knowles (1977:42): participation is when group members take part in: (a) decision making, (b) planning, (c) designing to achieve the goals, and (d) evaluation towards the accomplished outcomes. Sudjana, D. (1983:82) argued: the form of the participation of group members can be

manifested in the planning, implementation, and assessment of activity programs. In relation to the participation concepts mentioned above, the participation concept used in the study is the participation of members in the group in the planning, implementation, and assessment of group activities. Krech, D. et. al. (1962:393) proposed: A group comes into being to achieve the wants or its members; in the course of interaction, the members develop a group ideology which regulate their attitudes, action, and influences their satisfaction.

In view of the above, natural resources, technologies, and humans are the supporting elements in the development process. Humans in the human capital are a form of capital, similar to machine and technology. According to (1961), entrepreneurs have realized that development programs are not only about cost and capital, the investment on human capital could also improve the benefits for the future.

METHODOLOGY

This research employs Research and Development (R&D), with pre-experimental design: one group pretest-posttest design. This research was carried out in Aruk Sajingan, Border Area of West Kalimantan. The considerations are: a new area bordering Biawak Kucing Malaysia, relatively recently there have been small market traders who have not optimally improved their business performance; It is predicted that it is close to the Indonesian National Border Crossing Post which has the potential to develop the economy of the surrounding community. This is still experiencing obstacles due to the weak capacity of its human resources. The subjects of this research were traditional market traders in the Aruk Sajingan border area, West Kalimantan. Meanwhile for a limited scale trial, 20 people were being selected. For a wide-scale trial, it consisted of 43 people. The method of taking research subjects by nonprobability purposive sampling technique. The research instrument consisted of the author, interview guide, questionnaire, and note sheets. The aforementioned first research problem was analyzed using qualitative analysis (Ibrahim and Syamsudin, 2015: 240-241). Meanwhile, the second research question was analyzed using "Content Validity Ratio", then

calculated the value of the Content Validity Index (Lawshe in Scally, J. Andrew., 2013). The three sub-problems were analyzed through a pre-experimental design: one group pretest-posttest design with the t-test technique (Hadi, Sutrisno, 1981). Regarding data validity, the researcher employed techniques of triangulation (source, technique, and time) and time extension techniques.

RESULT AND DISCUSSION

1. Result

a. The development of a model to strengthen economic capital, social capital, and human capital of people's market merchants at the border of Aruk Sajingan – West Borneo has showed that the process has been in accordance with R&D procedures. The procedures encompassed the stages adapted from Borg and Gall (2007), the stages were: (1) Preliminary Study, (2) Model test and development, and (3) Publication and dissemination. In the stage of preliminary study, the activities were: 1) Conducting literature study and initial exploration, obtaining the research permit and cooperating with the Head of the Office of Cooperatives, Small and Medium Enterprise, Industry, and Trade (*Kumindag*) of Sambas Regency. 2) Document study, namely analyzing the data of merchants from the documents obtained from the *Kumindag*. 3) Disseminating the questionnaire to discover the initial condition of merchants before the strengthening model was performed. 4) Analyzing the problems of merchants from the interview result on July 30 2020 and determining the form of the strengthening model development. 5) Analyzing the competencies needed by merchants. The activities in the stage of development and testing were: 1) Creating the draft of the product development design of the strengthening model. 2) Validating the Product Design. The draft of a model to strengthen economic capital, social capital, and human capital of merchants that has been designed was validated by experts to validate the content, construct, and clarity of language. The meeting was attended by the merchants as well. The model draft was examined with Focus Group Discussion technique. Some inputs from the validators, namely pedagogic/coaching experts, material

experts, and construct experts for the perfection of the strengthening model of people's market merchants at border, were: (1) For the strengthening of economic capital, the funders besides *Pegadaian*, bank, government (Micro Credit Program/KUR), cooperatives, private capital owners or close related individuals, and merchant agents, Fintech Peer to Peer Lending or other investors that are more profitable. (2) The strengthening of social capital is crucial for the sustainability of merchant business. Therefore, validators suggested that: (a) the essence about a harmonic cooperation between the merchant group members and managers as well as the agents where the merchants get their goods/loans have to be strengthened; (b) merchants should maintain social trust; (c) strengthening the mutual trust between members/managers. (d) The strengthening aspects that being develop needs to be re-ordered. (3) Regarding the strengthening of human capital through workshops, validators suggested that the materials should be adjusted with the needs of merchants, the materials that need to be added are (a) commodity stock management materials; (b) financial management materials; and (c) emotional management materials. 3) Revising the product. After a revision was performed in accordance with the inputs from validators, thus, the validation results showed that: "The strengthening model of people's market merchants at border area especially the strengthening of economic capital, social capital, and human capital on people's market merchants in Aruk Sajingan – West Borneo was determined as valid and feasible to use". 4) Creating the initial product. 5) Small-scale testing on 20 merchants. 6) Validators evaluation. By referring to test results of the small scale, validators were principally suggested that the model implementation can be continued. To discover if the strengthening model that was tested on the small scale is effective, thus, the merchants need to be given with questionnaires. 7) Large-Scale Testing. 8) Evaluation. The data before and after the strengthening were analyzed to discover the effectiveness of the strengthening. 9) Obtaining the merchant strengthening model. b. The model to strengthen economic capital, social capital, and human capital in

improving the business success of people’s market merchants at border area of Aruk Sajingan – West Borneo is categorized as effective.

Table 1. The Categories of Small-Scale Testing Results

Categories	Respondents	Percentages
Very Effective	5	25
Effective	13	65
Moderately Effective	2	10
Less Effective	--	--
Very Ineffective	--	--
Total	20	100

Source: Processed Data, 2020.

Table 2. The Business Success Rate of Merchants Before and After the Strengthening Model

Categories	Before the strengthening model		After the strengthening model	
	Res ponden ts	%	Res ponden ts	%
High	--	--	15	36.5
Moderately High	10	23.2	15	9
Moderate	18	6	5	36.5
Moderately Low	6	41.6	4	9
Low	9	6	2	12.1
Low		13.9		9
		5		9.75
		20.9		4.88
		3		
Total	43	100	41	100

Source: Processed Data, 2020.

Table 3. The Calculation Results of T-Test For Each Questionnaire Item

No. Item	Aspects	t-count	Inf .
1.	Trading businesses remain	1.000	Not Sign
2.	The increase in marketing/sales	4.000	Sign

3.	Increasing profits	4.643	Sign
4.	The increase in the amount of funds	4.000	Sign
5.	The increase in income	4.214	Sign
6.	Saving a portion of incomes for capital savings increases	2.071	Sign
7.	The acquisition of health and self-appearance	2.571	Sign
8.	Increasing participation in social activities and community development, both material and non-material participations	3.353	Sign.

Source: Processed Data, 2020.

The mean score of the merchants’ business success before the implementation of the strengthening model was 15.95, which categorized as “moderate”, the score was 20.02 after the implementation of the strengthening model, which categorized as “moderately high”. To test the significance of the disparity, t-test was used (Hadi, Sutrisno, 1981:268), the result showed that t-count was 9.690 > t-table = 0.95 (82) 1.999. This proved the significance, thus, “the success rate of merchants’ business through the strengthening model of people’s market merchants at the border area of Aruk Sajingan - West Borneo was higher compared to the success rate of merchants’ business before the strengthening model implementation”.

DISCUSSION

The Development of the Strengthening Model of People’s Market Merchants

This study was performed on people’s market merchants in Aruk Sajingan - West Borneo as a border area that allows the possibility of cross-border trades. However, there are some issues about cross-border trades, namely: the activities are local, partial, sectoral, and normative; economic activities are traditional, cross-regional, and might be illegal; orienting towards Sarawak,

so the hinterland is Sarawak; there are many hidden shortcuts along the border, making the area prone to smuggling. The reasons why the border area needs to be developed are: the border area of Aruk Sajingan – West Borneo and Sarawak has great potentials and hasn't been utilized optimally; there are limitations, both physical and socioeconomic facilities and infrastructures; there's an economic inequality where the development is lagging, isolated area; and the border area is the front porch of the state that has to be specifically addressed. Due to this matter, the construction of this research model was referring to the procedures of Research and Development by Borg and Gall (2007).

The Feasibility of Model the Strengthen Economic Capital, Social Capital, and Human Capital

The feasibility of the strengthening model was assessed by experts, namely pedagogic and coaching experts, character education experts, language experts, and practitioners. Based on the judgement results of validators, the model to strengthen economic capital, social capital, and human capital of people's market merchants at the border area is feasible.

According to Sugiono (2018:3), "Valid shows the accuracy rate between the data that actually happen on the object and the data collected by the researcher". The result of material validation by pedagogic experts and validators on each indicator of the Draft of the Character-Based Coaching Implementation of the Strengthening Model of People's Market Merchants at Border Area showed the validity and feasibility to use. The result was substantiated by: (1) Complete aspects in the Draft of the Character-Based Coaching Implementation. (b) The formulation of coaching objectives in the Draft of Coaching Implementation formulated by the researcher has been proper. (c) The selection of coaching materials has been in accordance with the coaching objectives and the needs of merchants as the coaching participant. (d) The coaching materials that were organized based on the sequence, material systematics, and the congruity with time allocation have been proper. (e) The selection of coaching method has been proper, relevant to the

coaching materials, participant characteristics, and the available time. (f) The details and clarity of the scenario of coaching steps have been proper, relevant to the procedures of the selected coaching method. (g) The selection of sources and media of coaching was proper because they are compatible with the materials.

The importance of coaching for people's market merchants is in line with the argument of Agustina Srie as the Directorate-General of Domestic Trad' (2015) who expressed that there are three major tasks that have to be committed by the Directorate-General of Trade: improving exports, strengthening people's markets, and developing people's market. It is certainly not restricted to markets physically, but also the development of human resources involved within the markets.

The people's market merchants of Aruk Sajingan – West Borneo are people with a weak socioeconomic standard, especially those who with low education (Primary School). In addition, they have not been prepared with knowledge, skills, and attitude required to compete, most of their skills are low-leveled, lack of creativity and innovation in doing business. Low level of knowledge and skills of merchants is caused by limited information or functional knowledge and skills that can be used to improve their standard of living. Overall, they are categorized as economically weak. They cant compete in the business sector to face the economically established groups with certain knowledge and skills. The skills they owned to market a production good are still traditional, inherited through generations. For this matter, every coaching is necessary to be followed by merchants. In view of the above, it would be better if the coaching for merchants gains an adequate concern from the government because the improvement of skills, knowledge, and attitude of merchants is not only based on experience alone, instead, the improvement will be hampered if it is only based on experience. Flippo, Edwin B. (1961:228-229) revealed that the coaching is related to the improvement of knowledge and competence in doing business. Thus, coaching can be functioned for merchants to fully master the tasks in their work, so they will have the role in

solving the tasks routinely to determine the business success.

The Model to Strengthen Economic Capital, Social Capital, and Human Capital

The merchants who became the respondents of this study were asked to fill the questionnaire before and after the strengthening was implemented in an aim to discover the effectiveness of the strengthening model product that has been designed. The next step was continued by testing the strengthening model in a large-scale. The purpose to discover the effectiveness of the strengthening model is related to the business success of merchants. The result of t-count was 9.690, which > t-table (1.999), meaning that the result was significant.

2. Findings

1. *The Strengthening Model for Economic Capital of Merchants at the Border Area*

The components were:

There was a group institutional strengthening in the *arisan* group, including: First, group empowerment: a) participating in the meeting. b) merchants are participating in the decision making process to determine the capital providers. c) participating in determining the method to acquire capitals. d) participating in the implementation of a good cooperation in the group meeting. e) participating in evaluating the self-ability in the decision-making process. Second, the presence of group dynamics: a) the group owns a purpose: Making the group as a forum for deliberation or consensus. b) there's a sense of safety in the group. c) a good atmosphere within the group. d) there's a rotational leadership, and e) there's a flexibility in activities.

2. *The Strengthening Model for Social Capital of Merchants at the Border Area*

The Components: The strengthening on the Awareness to Cooperate that includes: a) the merchant group established a social network/link with the capital owners/merchant agents. b) merchants are maintaining the "trust". c) being open for

business networks, such as capital owners/agents, customers, and others. d) there is a sense of mutual trust in cooperating. e) close relationship exists, f) attachment exists, g) obeying cooperation norms with capital owners and customers h) continuous evaluation exists. i) improving the partnership. j) empowering social relations with others.

3. *The Strengthening Model for Human Capital of Merchants at the Border Area*

The components: Giving trainings about business management and marketing that is characterized with entrepreneurial behavior. The designed coaching/trainings included: a) the existence of core competencies, b) competency standards are available, c) basic competencies exist, d) competency achievement indicators are available, e) coaching purposes are available, f) coaching materials that are based on needs are available, g) vary coaching methods are available, h) steps for coaching activities are available, i) coaching sources and media are available, and j) there's an evaluation that contains procedures and evaluation instruments.

CONCLUSION

The model to strengthen economic capital, social capital, and human capital of people's market merchants at the border of Aruk Sajingan – West Borneo was developed and followed the R&D procedures with the stages as follows: (1) introduction, (2) development and testing as well as (3) dissemination and publication. b. The model to strengthen economic capital, social capital, and human capital of people's market merchants is valid and feasible to use based on the judgement from pedagogic and coaching experts, character education experts, and practitioners. c. The strengthening model of economic capital, social capital, and human capital is effective in improving the business success of merchants.

Recommendation this study, besides improving exports and building people's market, the trade sector should also develop human resources involved within by strengthening economic capital, social capital, and human capital.

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